



Toyota Industries Report

**2012**

Year ended March 31, 2012



## We connect the world. We connect it with smiles.

A scene in everyday life filled with joyous laughter, where a family gathers around a table and enjoys eating and talking. On the table are dishes of meat and fish, vegetables and fruits. Products from faraway farms are gathered, transported and delivered to homes. Toyota Industries helps to connect the world with smiles.



Electric lift truck

## We deliver smiles. We support everyday life.

Clean, safe and secure electric lift trucks operating in warehouses. Centering around lift trucks\*, which boast the world's top market share, Toyota Industries offers a wide range of products and services to solidly support logistics operations, thereby enriching the lives of people around the world.

\* World leader in unit sales; survey by Toyota Industries Corporation



## Comfort that makes you smile

When we go for a drive, we want to be comfortable, whether in hot or cold weather, on a sunny or rainy day, or daytime or nighttime. We wish to create a comfortable atmosphere inside an automobile for children and adults alike. Toyota Industries promises smiles for everyone enjoying a drive.



## Beyond a pleasant breeze

A compressor is the heart of a car air conditioner that keeps the internal atmosphere of an automobile always comfortable. Toyota Industries offers compressors that automatically control the cooling performance of the air conditioner according to temperatures in and outside a vehicle and the engine's operating status. The lineup also includes electrically driven compressors for hybrid vehicles, which allow the air conditioner to run during an idling stop. Built on leading-edge technologies, our compressors command the world's top market share\*.

\* World leader in unit sales; survey by Toyota Industries Corporation



**A soothing touch brings a feeling of luxuriance**

We use towels every day. Their soft and plush texture is soothing. That moment brings a feeling of luxuriance. We value things we use daily. Because we use them every day, we choose our very favorites. Toyota Industries wishes to embrace people's lives gently and softly.



Air-jet loom

**Weaving caring and thoughtfulness into fabrics**

Weaving machinery produces a variety of fabrics, including towels that are soft to the touch. Toyota Industries is the leading manufacturer of air-jet looms\*, which use air to carry weft yarn. A great deal of caring and thoughtfulness go into the weaving by our fast, low-vibration, energy-efficient looms with advanced functionality.

\* World leader in unit sales; statistics from the International Textile Manufacturers Federation (ITMF), 2011



Akira Imura  
Chairman

Tetsuro Toyoda  
President

In front of the Toyoda Automatic Loom,  
Type G, at the Technical Learning Center  
(Obu-shi, Aichi)

## Message from the Chairman and President

We sincerely appreciate your support of Toyota Industries Corporation and the Toyota Industries Group.

Overall, the global economy in fiscal 2012 continued on a recovery path, reflecting economic growth in Asian countries, including China, and a gradual economic upswing in the United States. On the domestic front, despite the serious economic impacts of the Great East Japan Earthquake and the strong yen, the Japanese economy moved gradually toward a recovery, with signs of an upturn in consumer spending and private sector capital investment.

In this situation, the Toyota Industries Group undertook efforts to ensure customer trust through our dedication to quality and to expand sales by responding appropriately to recovery trends in respective markets. We also promoted flexible plant operations to minimize the impacts of the earthquake and the flooding in Thailand on our production activities. As a result, we were able to achieve increases in both sales and profits for fiscal 2012.

For the foreseeable future, the global economy is projected to show a continued trend toward recovery underpinned by growth in China and other Asian countries. However, there is the risk of an economic downturn that may be triggered by the ongoing European debt crisis and deteriorating employment situation in the United States. There are also uncertainties with regards to rising raw material costs, such as crude oil, and exchange rate fluctuations. Consequently, the operating environment is expected to remain harsh.

Amid this environment, the Toyota Industries Group will continue to undertake concerted efforts to strengthen our business foundation and tackle important management matters to further increase our corporate value.

As an immediate task, we will proceed with management platform and cost structure reforms to realize a solid business structure so that we can weather any changes in the business climate. In each country and region, we aim to establish a production and supply structure to ensure optimum costs and delivery and enhance our value chain to provide a wide range of services to customers.

In the medium to long term, we remain firmly committed to the concept of quality first. Recognizing that responding to the environment and safety as well as improving our international competitiveness are key issues, we will continue to engage in customer-oriented development of products and advanced technologies.

In October 2011, the Toyota Industries Group formulated our Vision 2020 and Medium-Term Management Plan. The Vision 2020 expresses the aspired image of the Group over the next decade. Under the vision, we will support industries and social foundations around the world by continuously supplying products and services that anticipate customers' needs in order to contribute to a comfortable society and enriched lifestyles. To achieve these goals, we will develop environment-conscious, energy-saving products based on 3Es (energy, environmental protection and ecological thinking), incorporate functions and services needed by customers and deliver them to the global market. Through such efforts, we aim for growth in each of Toyota Industries' three business units, specifically "solution" (materials handling equipment, logistics and textile machinery), "key components" (car air-conditioning compressors and car electronics) and "mobility" (vehicles and engines). The Medium-Term Management Plan lays down specific action items for each business unit until fiscal 2016, under which we will devote Group-wide efforts to realizing the Vision 2020.

In closing, we ask for your continued understanding and support.

July 2012

Akira Imura  
Chairman

Tetsuro Toyoda  
President

Prologue	P 1-5
Message from the Chairman and President	P 6-7
Contents	P 8
Financial Highlights	P 9
Outline of Businesses	P 10-11
Top Management Interview	P 12-17
Special Features	
■ Toyota Industries' Technologies and Products Based on 3Es	P 18-21
■ Initiatives to Enhance TMHG's Value Chain Aimed at Global Expansion	P 22-24
<b>■ Business Activities</b>	
Materials Handling Equipment	P 26-31
Automobile	P 32-36
Vehicle	P 32-33
Engine	P 33
Car Air-Conditioning Compressor	P 34-35
Car Electronics	P 36
Logistics	P 37-38
Textile Machinery	P 39-40
<b>■ Corporate Social Responsibility</b>	
Corporate Philosophy (Toyoda Precepts, Basic Philosophy and CSR Policy)	P 42
Corporate Governance	P 43-49
Relationship with Our Customers	P 50
Relationship with Our Associates	P 51-52
Relationship with Our Business Partners	P 53
Relationship with Our Shareholders and Investors	P 54
Relationship with Our Local Communities	P 55-56

■ Environmental Initiatives

An Interview with the Chief Environmental Administrator	P 58-61
Vision for Environmental Activities	P 62
Structure to Implement Environmental Management	P 63
Fifth Environmental Action Plan	P 64-65
Establishing a Low-Carbon Emission Society	P 66-67
Establishing a Recycling-Based Society	P 68
Reducing Environmental Risk and Establishing a Society in Harmony with Nature	P 69
Environmental Management	P 70-71
Environmental Impact Flow and Environmental Accounting	P 72

■ Financial Section / Corporate Information

Financial Section	P 74-82
Consolidated Eleven-Year Summary	P 74-75
Consolidated Balance Sheets	P 76-77
Consolidated Statements of Income	P 78
Consolidated Statements of Comprehensive Income	P 79
Consolidated Statements of Changes in Net Assets	P 80-81
Consolidated Statements of Cash Flows	P 82
Corporate Information	P 83-87
Board of Directors, Corporate Auditors and Managing Officers	P 83
Major Consolidated Subsidiaries	P 84-85
Major Production Bases	P 86
Investor Information	P 87

Cautionary Statement with Respect to Forward-Looking Statements

This report contains projections and other forward-looking statements that involve risks and uncertainties. The use of the words "expect," "anticipate," "estimate," "forecast," "plan" and similar expressions is intended to identify such forward-looking statements. Projections and forward-looking statements are based on the current expectations and estimates of the Toyota Industries Group regarding its plans, outlook, strategies and results for the future. All such projections and forward-looking statements are based on management's assumptions and beliefs derived from the information available at the time of producing this report and are not guarantees of future performance. Toyota Industries undertakes no obligation to publicly update or revise any forward-looking statements in this report, whether as a result of new information, future events or otherwise. Therefore, it is advised that you should not rely solely upon these projections and forward-looking statements in making your investment decisions. You should also be aware that certain risks and uncertainties could cause the actual results of Toyota Industries to differ materially from any projections or forward-looking statements discussed in this report. These risks and uncertainties include, but are not limited to, the following: (1) reliance on a small number of customers, (2) product development capabilities, (3) intellectual property rights, (4) quality issues, (5) price competition, (6) reliance on suppliers of raw materials and components, (7) environmental regulations, (8) success or failure of strategic alliances with other companies, (9) exchange rate fluctuations, (10) share price fluctuations, (11) effects of disasters, power blackouts and other incidents, (12) latent risks associated with international activities and (13) retirement benefit liabilities.

Toyota Industries Corporation  
Years ended March 31

	Millions of yen					% change
	2012	2011	2010	2009	2008	2012 vs 2011

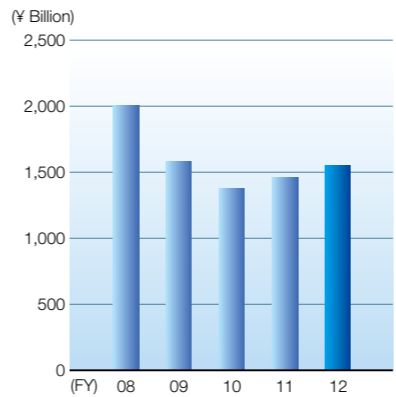
For the Year

Net sales	¥1,543,352	¥1,479,839	¥1,377,769	¥1,584,252	¥2,000,536	4.3%
Operating income (loss)	70,092	68,798	22,002	(6,621)	96,853	1.9
Ordinary income	80,866	73,911	31,756	14,343	126,488	9.4
Net income (loss)	58,594	47,205	(26,273)	(32,767)	80,460	24.1
Research and development expenses	32,070	27,788	26,826	33,646	36,750	15.4
Cash dividends per share (yen)	50.00	50.00	30.00	40.00	60.00	—

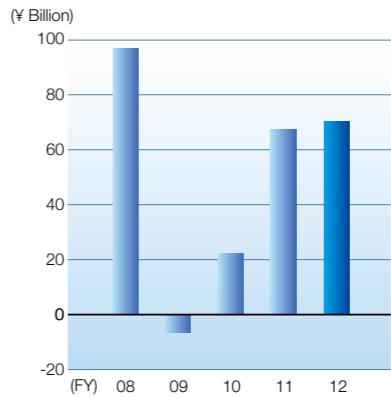
At Year-End

Total assets	¥2,656,984	¥2,481,452	¥2,589,246	¥2,327,432	¥2,965,585	7.1%
Total net assets	1,197,841	1,075,939	1,104,929	977,670	1,453,996	11.3
Number of employees	43,516	40,825	38,903	39,916	39,528	6.6

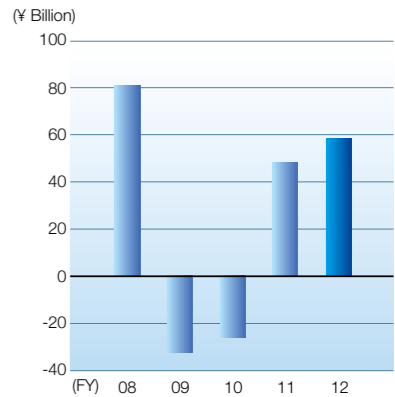
■ Net Sales



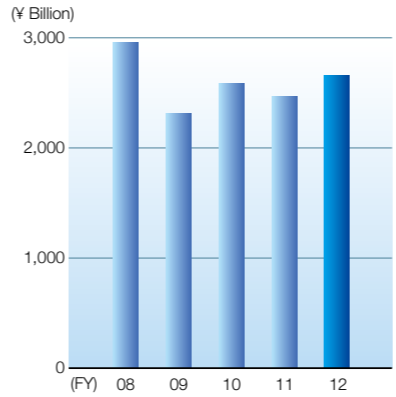
■ Operating Income (Loss)



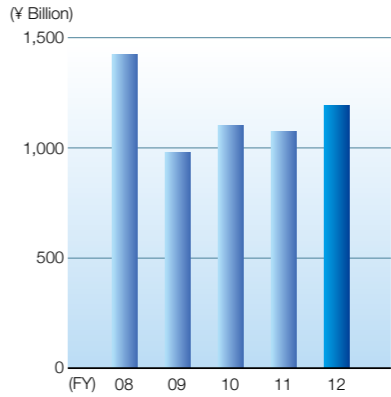
■ Net Income (Loss)



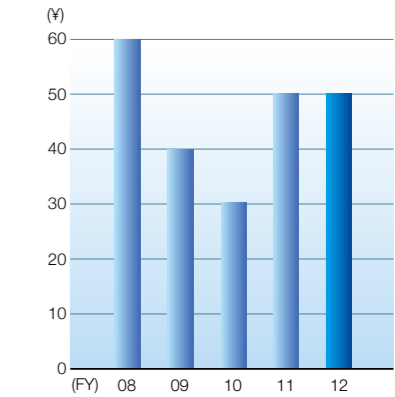
■ Total Assets



■ Total Net Assets



■ Cash Dividends per Share



Outline of Businesses

Segments	Outline of Businesses		Main Products/Services	Net Sales	Operating Income (Loss)	Percentage of Net Sales																
Materials Handling Equipment	The Materials Handling Equipment Segment develops, produces, sells and provides services for a broad range of products, from industrial vehicles centered around a full lineup of lift trucks (0.5- to 43-ton capacities) to materials handling systems. Lift trucks, a mainstay product of this segment, are delivered to customers around the world under the TOYOTA, BT, RAYMOND and CESAB brands through Toyota Material Handling Group.		<ul style="list-style-type: none"><li>• Lift trucks</li><li>• Warehouse trucks</li><li>• Aerial work platforms</li><li>• Automated storage and retrieval systems</li><li>• Automatic guided vehicles</li></ul>	<div>(¥ Billion)</div> <div><table><tr><th>FY</th><th>10</th><th>11</th><th>12</th></tr><tr><td>Net Sales (¥ Billion)</td><td>440</td><td>500</td><td>570</td></tr></table></div>	FY	10	11	12	Net Sales (¥ Billion)	440	500	570	<div>(¥ Billion)</div> <div><table><tr><th>FY</th><th>10</th><th>11</th><th>12</th></tr><tr><td>Operating Income (¥ Billion)</td><td>-2</td><td>25</td><td>38</td></tr></table></div>	FY	10	11	12	Operating Income (¥ Billion)	-2	25	38	<div><p>37.0%</p></div>
FY	10	11	12																			
Net Sales (¥ Billion)	440	500	570																			
FY	10	11	12																			
Operating Income (¥ Billion)	-2	25	38																			
Automobile	From vehicle assembly to parts production, the Automobile Segment engages in a wide variety of car-related businesses. Leveraging synergies among its business divisions in development and production, the Automobile Segment accounts for 52.0% of consolidated net sales and represents the largest business segment of Toyota Industries.			<div>(¥ Billion)</div> <div><table><tr><th>FY</th><th>10</th><th>11</th><th>12</th></tr><tr><td>Net Sales (¥ Billion)</td><td>780</td><td>810</td><td>810</td></tr></table></div>	FY	10	11	12	Net Sales (¥ Billion)	780	810	810	<div>(¥ Billion)</div> <div><table><tr><th>FY</th><th>10</th><th>11</th><th>12</th></tr><tr><td>Operating Income (¥ Billion)</td><td>25</td><td>35</td><td>22</td></tr></table></div>	FY	10	11	12	Operating Income (¥ Billion)	25	35	22	<div><p>52.0%</p></div>
	FY	10	11		12																	
	Net Sales (¥ Billion)	780	810		810																	
	FY	10	11		12																	
Operating Income (¥ Billion)	25	35	22																			
Vehicle	With its strengths as an industry leader in quality, cost and delivery, the Vehicle Business produces compact to midsize automobiles.	<ul style="list-style-type: none"><li>• Vitz (Yaris outside Japan)</li><li>• RAV4</li><li>• Mark X ZiO</li></ul>																				
Engine	The Engine Business produces both diesel and gasoline engines. We co-develop diesel engines with Toyota Motor Corporation and possess a comprehensive structure ranging from planning and development to production.	<ul style="list-style-type: none"><li>• Diesel engines</li><li>• Gasoline engines</li></ul>																				
Car Air-Conditioning Compressor	Toyota Industries' car air-conditioning compressors are highly acclaimed in terms of their reliability at high operating speeds and quiet operation in addition to such excellent environmental-related performance features as compactness, weight reduction and fuel efficiency. The Car Air-Conditioning Compressor Business captures the top global share in unit sales*1. <small>*1: Survey by Toyota Industries Corporation</small>	<ul style="list-style-type: none"><li>• Fixed-displacement type</li><li>• Variable-displacement type</li><li>• Electric type</li></ul>																				
	Car Electronics	Utilizing power electronics circuitry technology and electric drive system development capabilities, the Car Electronics Business develops and produces electronics products for hybrid vehicles and other electric-powered vehicles.	<ul style="list-style-type: none"><li>• PCU direct-cooling devices</li><li>• DC-DC converters</li><li>• DC-AC inverters</li></ul>																			
Logistics	The Logistics Segment is composed of three business pillars: planning, design and operation of distribution centers to help customers reduce their logistics costs; land transportation services that primarily focus on cargo deliveries via trucks; and high value-added services such as cash collection and delivery and cash proceeds management services and data storage and management services.		<ul style="list-style-type: none"><li>• Planning, design and operation of distribution centers</li><li>• Land transportation services</li><li>• Cash collection and delivery and cash proceeds management services</li><li>• Data storage, management, collection and delivery services</li></ul>	<div>(¥ Billion)</div> <div><table><tr><th>FY</th><th>10</th><th>11</th><th>12</th></tr><tr><td>Net Sales (¥ Billion)</td><td>110</td><td>110</td><td>95</td></tr></table></div>	FY	10	11	12	Net Sales (¥ Billion)	110	110	95	<div>(¥ Billion)</div> <div><table><tr><th>FY</th><th>10</th><th>11</th><th>12</th></tr><tr><td>Operating Income (¥ Billion)</td><td>5.5</td><td>5.5</td><td>4.5</td></tr></table></div>	FY	10	11	12	Operating Income (¥ Billion)	5.5	5.5	4.5	<div><p>6.0%</p></div>
FY	10	11	12																			
Net Sales (¥ Billion)	110	110	95																			
FY	10	11	12																			
Operating Income (¥ Billion)	5.5	5.5	4.5																			
Textile Machinery	With a history dating back to the invention of an automatic loom by Toyota Industries founder Sakichi Toyoda, the Textile Machinery Business is a world leader in the textile industry backed by an integrated structure that encompasses development, production, sales and service of weaving and spinning machines.		<ul style="list-style-type: none"><li>• Air-jet looms</li><li>• Ring spinning frames</li><li>• Roving frames</li></ul>	<div>(¥ Billion)</div> <div><table><tr><th>FY</th><th>10</th><th>11</th><th>12</th></tr><tr><td>Net Sales (¥ Billion)</td><td>20</td><td>45</td><td>40</td></tr></table></div>	FY	10	11	12	Net Sales (¥ Billion)	20	45	40	<div>(¥ Billion)</div> <div><table><tr><th>FY</th><th>10</th><th>11</th><th>12</th></tr><tr><td>Operating Income (¥ Billion)</td><td>-1.5</td><td>2.5</td><td>2</td></tr></table></div>	FY	10	11	12	Operating Income (¥ Billion)	-1.5	2.5	2	<div><p>2.5%</p></div>
FY	10	11	12																			
Net Sales (¥ Billion)	20	45	40																			
FY	10	11	12																			
Operating Income (¥ Billion)	-1.5	2.5	2																			
Others	The Others Segment includes consolidated subsidiaries that provide services to Toyota Industries as well as TIBC Corporation*2, a joint venture with IBIDEN CO., LTD. <small>*2: TIBC Corporation will be excluded from the scope of consolidation in July 2012. Dissolution of the company is planned in January 2013.</small>		<ul style="list-style-type: none"><li>• Services businesses for Toyota Industries Corporation provided by consolidated subsidiaries</li><li>• Semiconductor package substrates</li></ul>	<div>(¥ Billion)</div> <div><table><tr><th>FY</th><th>10</th><th>11</th><th>12</th></tr><tr><td>Net Sales (¥ Billion)</td><td>38</td><td>35</td><td>38</td></tr></table></div>	FY	10	11	12	Net Sales (¥ Billion)	38	35	38	<div>(¥ Billion)</div> <div><table><tr><th>FY</th><th>10</th><th>11</th><th>12</th></tr><tr><td>Operating Income (¥ Billion)</td><td>3.8</td><td>3.5</td><td>3.8</td></tr></table></div>	FY	10	11	12	Operating Income (¥ Billion)	3.8	3.5	3.8	<div><p>2.5%</p></div>
FY	10	11	12																			
Net Sales (¥ Billion)	38	35	38																			
FY	10	11	12																			
Operating Income (¥ Billion)	3.8	3.5	3.8																			



Tetsuro Toyoda  
President

## Setting Sail for 2020, with the Compass that Guides Us in an Age of Turmoil

The world is experiencing a succession of serious natural disasters and prevailing uncertainty about the future of the global economy. In an age of turmoil, we have to fight for survival amid ever-intensifying global competition. What is needed is a clear vision, well-defined strategy and the energy to take on challenges. President Tetsuro Toyoda explains Toyota Industries' vision and the course we will follow toward the year 2020.

**In fall 2011, Toyota Industries announced its Medium-Term Management Plan that defines the direction we should pursue for the period from fiscal 2013 to fiscal 2016. Before getting into the details of the plan that just began in April 2012, can you sum up the activities undertaken under the previous plan (fiscal 2007 to fiscal 2011)?**

Our previous medium-term management plan, which we announced in the fall of 2005, commenced in fiscal 2007. Under the plan, we carried out an array of proactive initiatives in each business segment.

In the Materials Handling Equipment Business, we made Sweden-based lift truck manufacturer BT Industries AB into a subsidiary in 2000. Instead of going ahead with immediate management integration, we set a certain waiting period to absorb the differences in corporate cultures and learn the strengths of each company. Later in 2006, we felt we were ready and moved on to full-scale consolidation of management structures in respective regions across the world. While working to achieve greater agility in management, we reorganized our sales network to enhance our sales and service capabilities.

With regard to car-related businesses, in the Car Air-Conditioning Compressor Business we augmented our structure to produce car air-conditioning compressors by increasing production capacity at plants in North America and establishing new production bases in China. In the Vehicle Business, we flexibly responded to a shift in production volume and a change in vehicle composition. In the Engine Business, we sought to increase our role in the development and production of diesel engines while enhancing our lineup of power source devices and systems primarily for hybrid vehicles in the Car Electronics Business.

In the Logistics Business, we channeled our resources into high value-added logistics services and successfully accelerated business growth.

Finally, in the Textile Machinery Business, we made efforts to expand sales of air-jet looms, which constitute a mainstay product of this business, and build a production structure less vulnerable to market fluctuations.

As a result of these efforts, in fiscal 2008 we achieved the net sales target of over ¥2,000 billion ahead of the medium-term plan and posted an increase in ordinary income to ¥126.4 billion.

At the beginning of fiscal 2009, however, sensing early signs of a global economic downturn, we set out swiftly to implement profit improvement activities and streamline the business structure prior to the financial crisis that started in the United States and triggered a full-blown global recession. Thereafter, we positioned fiscal 2011 as a year to go on the offensive while also strengthening our defenses, with the aim of identifying signs of change in the marketplace and translating these business opportunities into better business performance. We undertook various offensive initiatives, including aggressive sales expansion activities for materials handling equipment.

Unfortunately, the impact of the global recession was too

great and we were unable to attain our numerical targets in fiscal 2011. Nevertheless, we have significantly solidified our corporate structure throughout the Group and added greater profitability to our operations than before the global recession.

### What initiatives were undertaken during fiscal 2012?

Because fiscal 2011 was the final year of the previous medium-term management plan, we originally planned to announce a new plan at the beginning of fiscal 2012. The timing almost coincided with the Great East Japan Earthquake that occurred on March 11, 2011. Therefore, we had to postpone the announcement as we dealt with partial suspension of plant operations due mainly to the disruption of parts supply from suppliers. Following all-out efforts to normalize production, we were able to quickly restore our production operations in our mainstay Materials Handling Equipment Business to a level that enabled us to make up for the delay in production by drawing on the agility and resilience of our unique supply chain.

In this manner, the Materials Handling Equipment Business was a major driving force behind our recovery from the unprecedented disaster. This may be counted as yet another strength of Toyota Industries, stemming from our involvement in a wide range of businesses.

The earthquake struck when our Group-wide profit improvement activities implemented after the so-called Lehman Shock were just beginning to pay off. A subsequent series of serious events, including the deepening of the European debt crisis, the flooding in Thailand and the historically strong yen, caused the already difficult business environment to continue. With many Japanese manufacturers posting a decline in profits amid this environment, the Toyota Industries Group worked together against these headwinds and achieved increases in both sales and profits. These recovery efforts undertaken during the period from fiscal 2009



to 2012 made our management platform stronger than ever, and I believe we have forged a solid footing for future growth.

Together with the Medium-Term Management Plan, Toyota Industries also formulated and announced the Vision 2020. What is the basic rationale behind the vision?

Currently, the Japanese manufacturing industry is laden with what is often referred to as the “six burdens,” including the strong yen and high corporate taxes, and thus must compete globally under extremely severe conditions. Given the increasing speed of changes taking place in the business environment, we must recognize that we are in an “age of turmoil” in which major changes and crises are becoming commonplace.

It is essential that we assume a change in the business environment is always inevitable, and seek a higher degree of independence and clear a path on our own. We will enhance our product and technological prowess to proceed from recovery to growth over the next decade. The Vision 2020 is the compass that guides us to this goal.

What is the aspired image laid out in the Vision 2020?

Since its founding by Sakichi Toyoda, Toyota Industries has been operating under the philosophy of “contributing to society and the world through *monozukuri* (manufacturing).”

Many of our products may not be readily visible to customers, but they play a very important role connected to people’s everyday lives. Our lift trucks, for example, are used to convey vegetables, fruits, fish, meat and other foodstuffs as well as convenient home electric appliances along their distribution routes. Towels and shirts, both common in daily life, may use fabrics produced by our textile machinery. Our car air-conditioning compressors are fitted in numerous vehicles across the world and operating to create a comfortable atmosphere within an automobile even at the height of summer. Our lift trucks, car air-conditioning compressors and air-jet looms, for which we enjoy the top share in the global market\*, are just a few examples of our products that are directly connected to people’s lives.

The Vision 2020 reflects our desire to contribute to a comfortable society and enriched lifestyles by offering products and services truly needed in a timely manner.

Each and every one of the over 40,000 employees in the Toyota Industries Group shares these common goals and works toward realizing the vision.

\* Surveys by Toyota Industries Corporation for car air-conditioning compressors and lift trucks; statistics from the International Textile Manufacturers Federation (ITMF), 2011 for air-jet looms

How are our business segments categorized under the Vision 2020?

Toyota Industries is like a general store, offering a diverse range of products from textile machinery to materials handling equipment, vehicles and automotive parts.

Based on the business models adopted by each segment, we have divided these domains into three business units.

First, the “**solution**” business unit encompasses the areas of materials handling equipment, logistics and textile machinery. It is a comprehensive business unit in which Toyota Industries handles everything from development and production to sales and after-sales services. We aim to accelerate growth of this unit as our specialty business domain.

The second business unit, “**key components**,” is centered around the fields of car air-conditioning compressors and car electronics. This unit capitalizes on our technological superiority to offer key components for a variety of products to a diverse range of customers worldwide, mainly automakers.

The third business unit is “**mobility**,” producing vehicles and engines for Toyota Motor Corporation (TMC). Through this unit, we will make the most of our production strengths to contribute to significantly improving the competitive edge of TOYOTA cars.

In this manner, we place no particular focus on one business domain. Rather, we engage in a range of diverse business fields to ensure stable management and generate synergies among businesses. That, I believe, is where our strength lies.

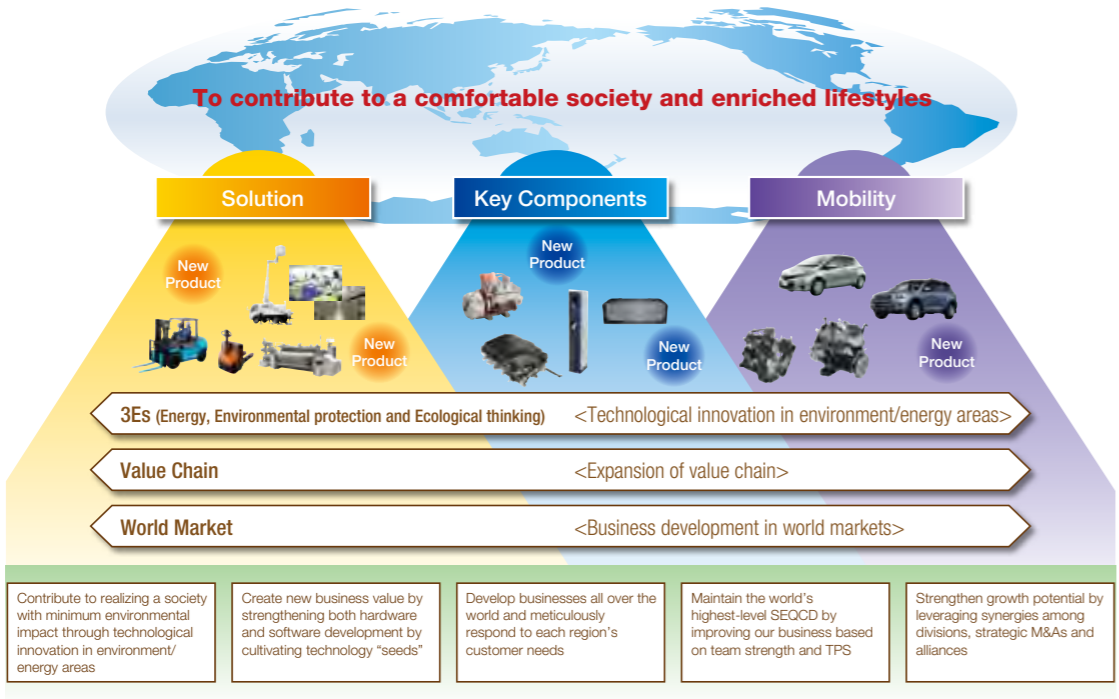


factor that is of equal importance is meticulous customer response, more specifically, the ability to provide fine-tuned after-sales maintenance services and make proposals to help customers improve their logistics operations. We seek to be of service in every aspect of customer relations.

Our third strategy targets the world market. Previously, developed countries played a major role in economic activities. In recent years, however, emerging countries have been driving global economic growth. In response, we aim to extend our geographical coverage to include both developed and emerging countries to deliver our products and services to customers on a truly global scale.

Vision 2020

Support industries and social foundations around the world by continuously supplying products/services that anticipate customers’ needs in order to contribute to a comfortable society and enriched lifestyles



What strategies have been formulated to achieve the targets of the Medium-Term Management Plan and realize the Vision 2020?

We have formulated three “muscular” strategies for implementation across the aforementioned three business units. Specifically, these entail the “**3Es**,” “**Value Chain**” and “**World Market**” strategies.

The first strategy focuses on 3Es (energy, environmental protection and ecological thinking), which are the keywords in promoting conservation of the global environment, to facilitate the development of environment-friendly products.

We have accumulated various technologies through our engagement in businesses related to an entire automobile spanning from vehicle assembly to such automotive parts as engines and components. This, coupled with a pool of technologies and expertise accumulated in the field of electric lift trucks, has enabled us to acquire a number of elemental technologies that help us promote the 3Es. We are honing these elemental technologies that contribute to energy savings, electrification and lighter weight and applying these technologies to new products in each field.

The second strategy concentrates on our value chain. In the Materials Handling Equipment Business, for instance, it is imperative that we provide high-quality products. Another

What specific initiatives are planned?

Our specific initiatives focus on the following five points.

■ Contribute to the realization of a society with minimum environmental impact

This is an important theme, which is also specifically recognized as one of our strategies. From the perspective of protecting the global environment, we will push ahead with technological innovation in the fields of the environment and energy to contribute to the realization of a society with less environmental impact. We will bring together the knowledge and wisdom of the entire Toyota Industries Group to encourage the speedy development of environment-conscious products.



#### Strengthen our development activities in the software domain

Our key development activities begin with cultivating our own seeds of technology. Although our primary focus has been on the development of hardware, we are now placing more emphasis on the development of software to offer products that are truly satisfactory to our customers. For instance, our air-jet looms, for which we hold the top market share, are used to produce fabrics for the highly esteemed Imabari-brand towels. In addition to hardware, we dedicate considerable efforts to developing software programs that precisely control these looms, and the produced fabrics are highly recognized by our customers for their soft and excellent texture.

#### Respond to the distinctive needs in each region

In line with continued expansion of the global market, which now includes emerging countries, customers' needs for products and services have become increasingly diverse. We will work to enhance our products and services to accurately satisfy regionally diverse needs, while taking steps to establish an optimum production structure on a global scale and reinforce our sales and service networks.

#### Remain committed to the highest levels of safety, environment, quality, cost and delivery standards

Under the belief that nurturing people forms the basis of manufacturing operations, we have always emphasized the development of human resources and enhancement of team strength. Based on this team strength and the Toyota Production System (TPS), which we have cultivated through actual manufacturing operations, we strive to maintain the highest levels of safety, environment, quality, cost and delivery (SEQCD) standards. Honing our proprietary production technologies and processes, we intend to overwhelmingly differentiate our products and services in terms of quality and cost. In addition, we will refine the strengths of our domestic production bases that serve as mother plants, continue to transfer these skills and know-how to our overseas production bases and ensure that the idea of nurturing people who support *monozukuri* is firmly rooted in each country.

#### Maximize synergies and promote strategic M&As/alliances

Taking advantage of our wide range of businesses in the materials handling equipment, automobile and other fields, we will work to maximize synergies among business divisions and

within the Group including our subsidiaries. We will also promote strategic M&As and alliances as necessary to further bolster our strengths and compensate for our weaknesses to accelerate growth in the future.

#### What are the numerical targets of the Vision 2020 and the Medium-Term Management Plan?

For fiscal 2021, we plan to achieve net sales of more than ¥3,000 billion (¥1,500 billion in the solution business unit, ¥700 billion in the key components business unit and ¥800 billion in the mobility business unit). Our target for operating income is more than ¥200 billion.

Also emphasizing our asset efficiency, the targets for ROA\*1 and ROE\*1 ratios are set at 5% and 10%, respectively.

Under the Medium-Term Management Plan, we aim to achieve net sales of more than ¥2,000 billion and operating income of ¥140 billion in fiscal 2016. Our plan for capital expenditure for the next four years from fiscal 2013 to fiscal 2016 totals approximately ¥500 billion\*2. We will proactively invest in promising businesses that will serve to drive our future growth.

#### Targets



\*1: Investment securities are calculated on the basis of their purchase prices.

\*2: Includes M&A investments

\*3: Nassim Nicholas Taleb is a best-selling author and trader. Taleb serves as Distinguished Professor of Risk Engineering at Polytechnic Institute of New York University.

\*4: The term was introduced by Nassim Nicholas Taleb in his book, *The Black Swan* (U.S. Random House 2007). Hundreds of years ago in the West, there was once an unshakable belief that all swans must be white based on observations of many millions of swans over several centuries. In 1697, however, this conventional belief was turned upside down with the discovery of black swans in Australia. In this manner, a Black Swan refers to the overturning of traditional wisdom by just a single exceptional instance. It also means an extreme event unpredictable by probability theory or previous knowledge and experiences, thereby having a massive impact on people when it occurs.



#### Lastly, can you tell us about your resolution toward realization of the Vision 2020?

As I mentioned earlier, we have prevailed over the global economic downturn and other serious crises. We have reached the stage of recovery and are now setting sail for further growth. Nevertheless, I do not expect that we will always enjoy smooth sailing. Author Nassim Nicholas Taleb\*3 used a term called Black Swan\*4 to refer to a virtually unpredictable event that has a massive impact when it occurs. We have experienced a series of Black Swans for the past few years. We are determined to become more independent while working together for the realization of the vision to prevail over any Black Swan that may appear in the future and achieving growth through crises that arise.

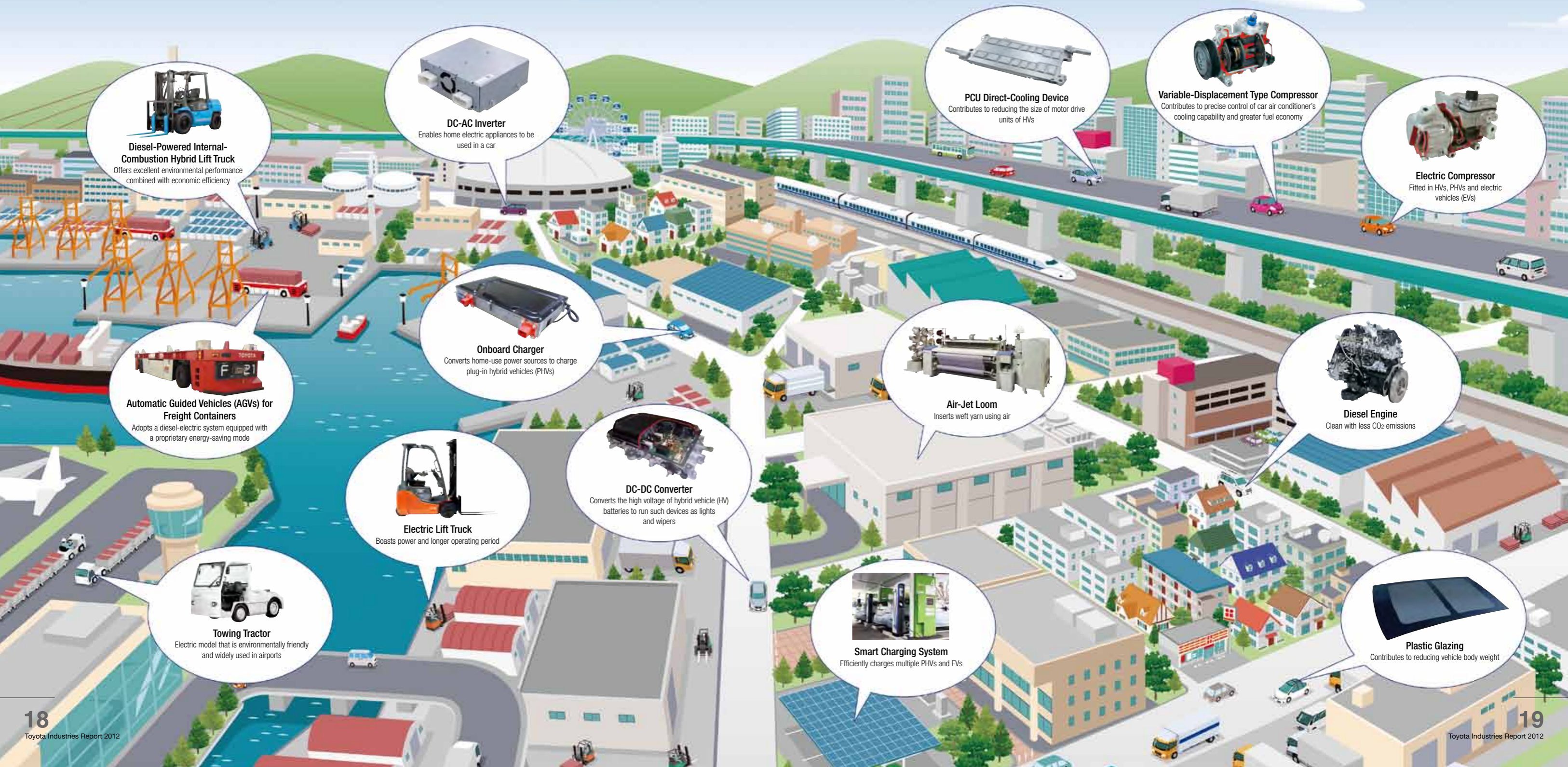
#### Management Targets for Fiscal 2016

	FY2012 results	FY2013 plan	FY 2016 targets
Net sales	1,543	1,650	More than 2,000
Operating income (operating income ratio)	70 (4.5%)	85 (5.2%)	140 (7.0%)
ROA*1	3.5%	—	5.0%
ROE*1	10.5%	—	10.0%
Capital expenditure	58	100	Approx. 500*2 in total between FY2013 and FY2016

# Toyota Industries' Technologies and Products Based on 3Es

Toyota Industries' environmental technologies play a dynamic role in society and daily life. We remain close to you and provide support for a comfortable society and enriched lifestyles.

Based on the keywords of 3Es (energy, environmental protection and ecological thinking), Toyota Industries promotes the development of technologies that contribute to energy savings, electrification and lighter weight. We are applying these technologies to our products in diverse business domains, including automobiles and materials handling equipment, and in turn contribute to the realization of a society with less environmental impact.



**Diesel-Powered Internal-Combustion Hybrid Lift Truck**  
Offers excellent environmental performance combined with economic efficiency

**DC-AC Inverter**  
Enables home electric appliances to be used in a car

**PCU Direct-Cooling Device**  
Contributes to reducing the size of motor drive units of HVs

**Variable-Displacement Type Compressor**  
Contributes to precise control of car air conditioner's cooling capability and greater fuel economy

**Electric Compressor**  
Fitted in HVs, PHVs and electric vehicles (EVs)

**Automatic Guided Vehicles (AGVs) for Freight Containers**  
Adopts a diesel-electric system equipped with a proprietary energy-saving mode

**Onboard Charger**  
Converts home-use power sources to charge plug-in hybrid vehicles (PHVs)

**Air-Jet Loom**  
Inserts weft yarn using air

**Diesel Engine**  
Clean with less CO<sub>2</sub> emissions

**Electric Lift Truck**  
Boasts power and longer operating period

**DC-DC Converter**  
Converts the high voltage of hybrid vehicle (HV) batteries to run such devices as lights and wipers

**Smart Charging System**  
Efficiently charges multiple PHVs and EVs

**Plastic Glazing**  
Contributes to reducing vehicle body weight

**Towing Tractor**  
Electric model that is environmentally friendly and widely used in airports

## Leading the World in Energy-Saving, Electrification and Lighter-Weight Technologies

With a focus on 3Es, Toyota Industries pursues technological innovation to offer the most advanced energy-saving, electrification and lighter-weight technologies matched to growing needs in the global market for greater environmental performance. This special feature presents a few examples of our 3E-based technologies in respective fields.

### Energy Savings | Variable-Displacement Type Compressors

Toyota Industries' car air-conditioning compressors boast the world's highest-level quality and performance in the areas of compactness, weight reduction, fuel economy, reliability during high-speed operation and quietness. Rising global environmental awareness has generated greater demand for higher energy-saving performance. In response, we developed the world's first internally controlled variable-displacement type compressor in 1995 and externally controlled variable-displacement type compressor in 1997, and have continued to pursue greater performance in these products.

Our externally controlled variable-displacement type compressors automatically and optimally control the air conditioner's cooling capability in accordance with the temperatures in and outside a vehicle as well as the status of engine operation. Receiving high acclaim for their outstanding performance, they are widely adopted by major automakers in and outside Japan.



By changing the angle of the swash plate to adjust the piston stroke, the compressor automatically controls the cooling capability.

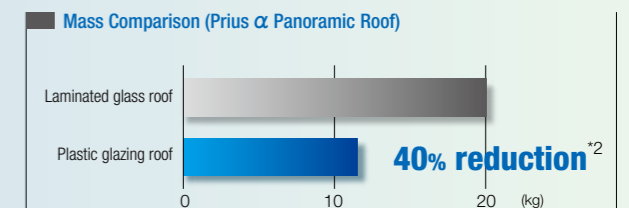
### Lighter Weight | Plastic Glazing

Recently, there has been growing demand for reducing vehicle body weight, which directly leads to improved fuel economy of an automobile. The weight of glass accounts for more than 30 kg even in a compact car, and expectations for plastic glazing have become progressively greater as a lighter-weight substitute for glass.

Drawing on our experience in developing plastic glazing, we successfully realized the previously challenging task of developing a technology to create a larger-size plastic glazing. The resulting plastic glazing panoramic roof, the largest of its kind in the world\*1, is used in the Prius α (Prius v in North America and Prius + in Europe) released by Toyota Motor Corporation in May 2011.

We have been receiving a number of inquiries from automakers in and outside Japan. We will further enhance the appeal of our plastic glazing products to increase the number of vehicle models fitted with our products and expand the scope of applications to include other vehicle components.

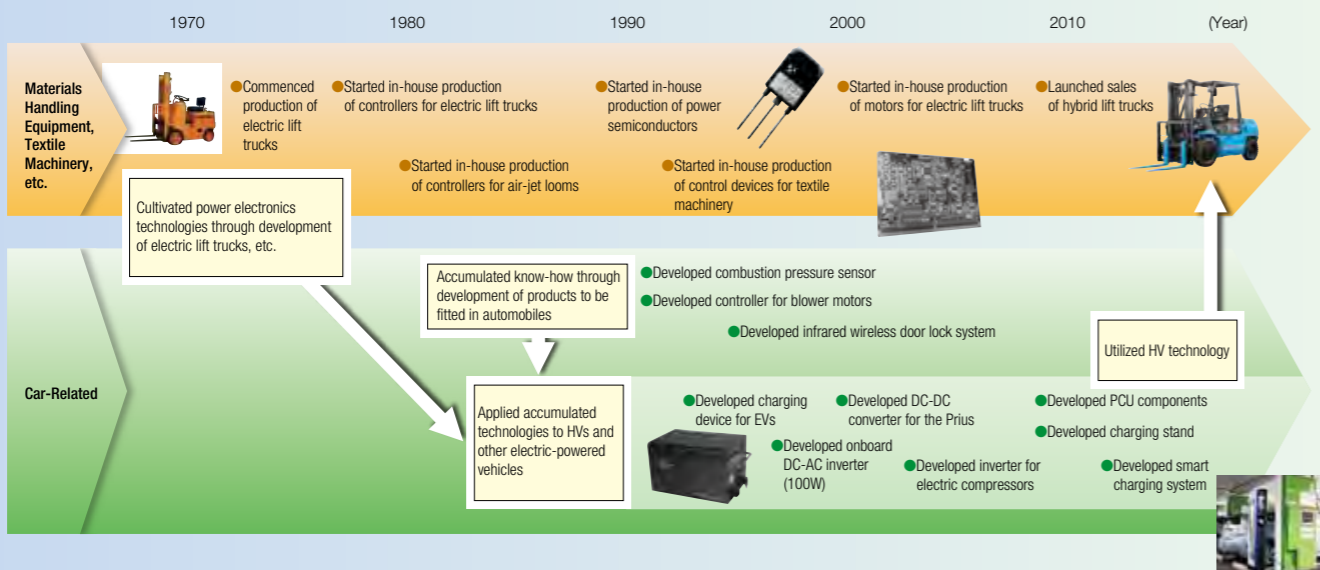
\*1: As of March 31, 2012. Survey by Toyota Industries Corporation  
\*2: Survey by Toyota Industries Corporation



### Electrification | Generating Technological Synergies in Electrification between Materials Handling Equipment and Automobile Fields

Since commencing production of electric lift trucks in 1967, Toyota Industries has cultivated power electronics technologies and know-how through the development and in-house production of electronic components fitted in lift trucks and textile machinery.

During the 1990s, we applied accumulated electrification technologies to the automobile field. We now develop and produce car electronics products for HVs and other electric-powered vehicles.



### Latest Technological Trend: Electric Commercial Van “e-Porter”

Toyota Industries developed a new electric commercial van, “e-Porter,” which contributes to greater logistics efficiency in a smart mobility society and less CO<sub>2</sub> emissions. The e-Porter is a new concept vehicle that combines energy-saving, electrification and lighter-weight technologies with the keywords of 3Es.

The e-Porter brings together Toyota Industries' comprehensive technological capabilities including a technology to create a special vehicle that combines its accumulated automotive body design technology with logistics know-how; power electronics technology cultivated in developing electric lift trucks and onboard devices for automobiles; and development strengths in electric drive systems.

For this concept vehicle, we developed a new, dedicated platform with a suitable structure for EVs. Specifically, we reduced the number of parts used to successfully achieve both weight reduction and lower costs. The e-Porter is also fitted with our newly developed powertrain unit\*3 for EVs, an onboard charger, DC-DC converter and electric compressor, all of which contribute to reducing environmental impact.

Toyota Industries displayed the e-Porter concept model at the 42nd Tokyo Motor Show held in December 2011 and presented the direction we envision for next-generation commercial vans.

\*3: See page 36 for details.



On display at the 42nd Tokyo Motor Show 2011

## Initiatives to Enhance TMHG's Value Chain Aimed at Global Expansion

Under the Toyota Material Handling Group (TMHG) management structure, Toyota Industries engages in the Materials Handling Equipment Business on a global scale, with a focus on lift trucks. We provide not only high-quality products to customers but also the full spectrum of after-sales services to ensure our products are continuously used in good condition. By building long-lasting relationships of trust, we aim to bring value to customers.



### Services an Important Element of Value Chain

A value chain comprises one of the “muscular” strategies devised under the Vision 2020. Our goal is to ensure customer satisfaction in every stage of our operations from development and production to sales and after-sales services.

Here, we highlight initiatives undertaken to further upgrade our services in the Materials Handling Equipment Business.

Industrial goods, such as materials handling equipment, must offer excellent performance, and just as importantly, quality services. If a lift truck fails to operate, for example, it would cause a significant loss in business activities of a customer. For this reason, it is extremely important to precisely identify how our lift trucks are used and in what working environment, as well as to offer tailored maintenance and inspection services for safe operation after delivery. These services ensure that our products are used for a long period of time in good condition and help customers achieve greater logistics efficiency.



## Providing Higher Quality Services to Customers

TMHG engages in the Materials Handling Equipment Business worldwide and strives to offer high-quality services in every region where it delivers products.

These services are supported by teams of highly skilled service technicians with a wealth of expertise and experience.

The TMHG Training Center in Handa, Aichi Prefecture, devises and carries out service technician training programs in respective regions to raise the level of the service technicians of distributors and dealers in and outside Japan.

### Disseminating Service Technician Training Programs from the TMHG Training Center to the World

General Manager Hidehiko Matsushima talks about his commitment to developing excellent service technicians



Hidehiko Matsushima | General Manager, TMHG Training Center

#### Trusted Relationships with Customers Are Our Lifeblood

In the industrial goods business, we usually maintain long-term relationships with our customers, which continue after the delivery of products. Therefore, it is imperative that we build relationships of trust with customers and become a reliable partner.

Building relationships of trust involves providing safety and reassurance and continuing to offer solutions suited to their needs and concerns from a customer perspective. By providing industrial goods, we have a major responsibility to customers. Once we win their trust, however, we can build a long-lasting relationship with them.

I believe that the most important, basic aspect of after-sales services for industrial goods is to carry out precise inspection and maintenance of equipment and explain our activities to customers until they feel assured. Such basic activities must be backed by a Customer First spirit and proper service skills and knowledge. The TMHG Training Center places particular emphasis on these points when providing training to service technicians.

We will continue to communicate closely with our distributors and dealers and provide valuable information that will help them improve their service skills.



#### Support Services Essential in Lift Truck Operation

Because lift trucks are industrial goods, it is extremely important that we have in place a well-built support structure to ensure our products can be used with a sense of reassurance. It is commonplace throughout the world that you would lose customers if your services are not satisfactory even if you provide excellent products. Preventive maintenance is important in avoiding machine failures that will adversely affect the business activities of customers. If a failure does occur, it is necessary to respond immediately.

In the materials handling equipment industry, sales of low-priced lift trucks are growing in emerging countries. In many cases, however, products do not come with adequate after-sales services.

Toyota Industries, however, places a strong focus on providing routine maintenance and repair services in both developed and emerging countries to enable us to support customers' efficient business activities.

## Key Service Personnel to Share Training with Local Staff

The TMHG Training Center accepts service instructors of distributors and dealers across the world. In a small group training class, participants learn about TMHG's ideas on quality and services as well as obtain a high level of knowledge and skills through lectures and practical training sessions using actual equipment.

After returning home, they share the knowledge and skills they have gained in Japan with local staff, thereby improving the level of service of distributors and dealers in every country.



## Offering Services Attuned to the Distinctive Needs of Each Country

In March 2012, more than 50 service instructors from Asia, Latin America, Oceania, the Middle East and Africa came to Japan to receive maintenance training on our newly introduced global model at the TMHG Training Center.

### VOICE 1



#### Amit Rawat [India]

Service Manager,  
Toyota Material Handling India Pvt. Ltd.  
(TMH India\*)

I am in charge of providing training to about 30 service technicians at TMH India.

During training held in Japan,

I learned about the technical aspects of materials handling equipment, the concepts of *genchi genbutsu* (go and see for yourself) and mutual trust, and how to provide effective training. Capitalizing on this experience, I will pass along the techniques and philosophy I have learned to technicians.

Customers in India are very sensitive to the quality of service. If they are not satisfied, they will switch to another manufacturer. Providing quality service is very important.

I would like to upgrade the level of service of our staff in India and work to deliver greater satisfaction to customers through our services.

\*1: Materials handling equipment sales subsidiary in India

### VOICE 2



#### Mun Wei Kin [Malaysia]

Service Executive, Technical Support,  
UMW Industries Sdn. Bhd.\*2

I've been working for UMW Industries for 23 years. I provide training and technical assistance to about 20 service technicians and 70

mechanical engineers. Since many of our service technicians and mechanical engineers have many years of experience and we offer detailed training programs under a well-defined training structure, we have successfully cultivated strong relationships of trust with customers.

Currently, we are emphasizing training on electric lift trucks, for which demand has been growing in Malaysia. The same as the TMHG Training Center, we will make efficient use of both actual equipment and simulators to provide easy-to-understand technical education.

\*2: Materials handling equipment distributor for Malaysia, Vietnam and Singapore

## Striving to Offer Assistance in Various Logistics-Related Domains

TMHG dedicates considerable efforts toward enhancing the quality of its services in every aspect of materials handling operations, including maintenance, repair, rental and leasing services as well as consulting to improve logistics.

We will assist customers in raising their logistics efficiency by appropriately responding to a wide range of logistics-related needs.

## Toyota Industries Report

# 2012

## Business Activities

Materials Handling Equipment — P 26-31

Automobile — P 32-36

Vehicle / Engine / Car Air-Conditioning Compressor / Car Electronics

Logistics — P 37-38

Textile Machinery — P 39-40



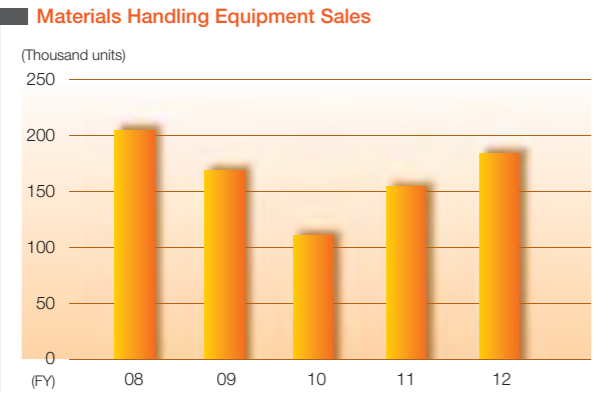
# Materials Handling Equipment

As the globally recognized top brand of lift trucks, Toyota Industries provides cutting-edge products and services to customers across the world, with the level of quality only an industry leader can achieve.



## Business Overview in Fiscal 2012

In the materials handling equipment industry, emerging countries primarily in Asia, as well as Europe, North America and Japan, maintained an upward trend in their respective markets. Amid this environment, Toyota Industries reinforced production and sales structures and rolled out products matched to respective market conditions. As a result, sales of our mainstay lift trucks rose both in and outside Japan to a total of 184,000 units, an increase of 31,000 units, or 20%, over the previous fiscal year. Net sales rose ¥80.1 billion, or 16%, to ¥570.7 billion.



## Toyota Material Handling Group (TMHG)

As a market leader with extensive knowledge of logistics needs across the world, Toyota Industries provides a full range of lift trucks and other materials handling equipment to customers worldwide.

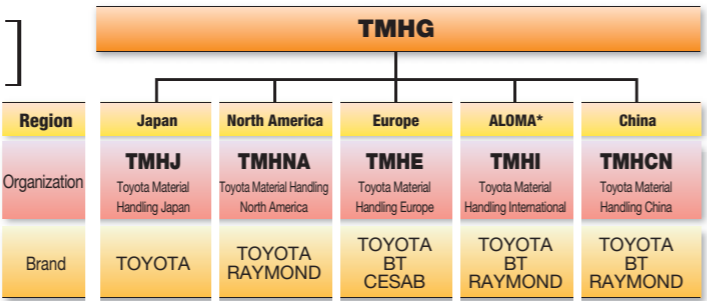
Under the TMHG management structure, we engage in business under the TOYOTA, BT,

RAYMOND and CESAB brands. Mutually utilizing the sales and development strengths of each brand, TMHG is promoting business expansion on a global scale.

## Market Conditions and Business Activities in 2011

In 2011, the lift truck market in respective regions enjoyed favorable conditions driven by the market recovery in developed countries and market growth in emerging countries. In Japan, we were forced to partially suspend production operations after the Great East Japan Earthquake in March 2011. Nevertheless, we worked to quickly restore and make up for the delay in production by flexibly utilizing our unique supply chain. We also focused on expanding sales in the manufacturing industry where there was an upturn in capital investment. In Europe and North America, we reinforced our ability to accept large orders covering geographically extensive areas and proactively participated in various exhibitions to appeal the excellence of our products and services. With the aim of strengthening both our production and sales activities in emerging countries, we engaged in sales expansion activities through our new sales subsidiary established in India and decided to construct a lift truck production plant in Brazil.

Toyota Material Handling Group Organization Chart



\* ALOMA stands for Asia, Latin America, Oceania, Middle East and Africa.

As for the Materials Handling Engineering Business, which is represented by automated storage and retrieval systems and automatic guided vehicles (AGVs), we stepped up our efforts to promote the development of such overseas markets as China.

Difficult conditions continued in the market for aerial work platforms due to such impacts as the earthquake and the economic downturn in Europe. To counter the situation, we concentrated on expanding sales of Aichi Corporation, which possesses the top brand of aerial work platforms in Japan, while pushing ahead with cost reduction efforts. As a result, net sales exceeded the previous fiscal year's level.

## Japanese Market

### No. 1 Market Share\* in Lift Truck Sales

In 2011, the Japanese lift truck market was negatively affected by the earthquake, but subsequent recovery resulted in approximately 10% growth over the previous year. Toyota Material Handling Japan (TMHJ) quickly restored its suspended operations to make up for the delay in production and worked hard to expand sales to the manufacturing industry, including the transportation equipment sector, in keeping pace with a recovery in the market. Reflecting these efforts, unit sales in fiscal 2012 increased 21% year-on-year to 32,000 units. TMHJ secured a 42.7% share of the Japanese market in 2011 and maintained its top position\* for the 46th consecutive year.

\* Surveys by Japan Industrial Vehicles Association and Toyota Industries Corporation, 2011

### Introducing Products Excellent in Environmental Performance and Work Efficiency

TMHJ added four optional attachments for the 3.5- to 4.5-ton GENE0-HYBRID diesel-powered internal-combustion hybrid lift trucks to make the GENE0-HYBRID more versatile in responding to diverse customer needs in various industries, including paper and pulp as well as lumber industries.

In addition, charging stands for plug-in hybrid vehicles (PHVs) and electric vehicles (EVs) are now available



Attachments available as an option for the GENE0-HYBRID

through TMHJ dealers located throughout Japan. Drawing on our servicing capabilities, which we have accumulated in the field of electric lift trucks, we are working to satisfy growing needs for maintenance services in the electric-powered vehicle field.

### Appealing Energy Savings and Logistics Efficiency to Customers

TMHJ has been offering solutions for greater energy savings and logistics efficiency to customers under the theme "Warehouses Are Full of Improvement Seeds." In July 2011, TMHJ launched the Eco Lineup Campaign to expand sales of environmentally friendly electric and hybrid lift trucks.

Starting in November 2011, TMHJ ran a series of newspaper advertisements showing examples of its past *kaizen* (continuous improvement) solutions. At the same time, TMHJ provided free logistics diagnoses across Japan in an effort to capture latent customer needs.

TMHJ is providing optimal logistics solutions combining its extensive product lineup that ranges from lift trucks to a variety of materials handling systems with a wealth of logistics improvement know-how and superior service structure.

### Kaizen Example for Customer in the Food Industry

Toyota Industries' automated storage and retrieval system significantly reduced the burden of moving barrels, which weigh 60 to 90 kg each, into and out of the warehouse. Moreover, three-dimensional use of the warehouse space created 1.5 times greater storage volume and enabled smooth movements of lift trucks to carry barrels within the warehouse.



Newspaper advertisement showing a kaizen example

## Topic

In February 2012, Toyota Industries concluded a business and capital tie-up agreement with SEIBU ELECTRIC & MACHINERY CO., LTD. based in Koga, Fukuoka Prefecture.

With a view to strengthening our lineup of materials handling systems, such as automated storage and retrieval systems and transportation equipment, we consign a portion of our customized designing and production operations to SEIBU. Accordingly, we will shift our focus, which has been traditionally placed on materials handling equipment hardware, to strengthening software development.

■ North American Market

**Maintaining Top Market Share\*<sup>1</sup> for 10th Consecutive Year**

The North American lift truck market increased by more than 30% in calendar year 2011 compared with 2010. Toyota Material Handling North America (TMHNA) remained the market share leader\*<sup>1</sup> in fiscal 2012 with combined unit sales of TOYOTA and RAYMOND brands of approximately 59,000 units, an increase of 37%.

Toyota, as a full line supplier of lift trucks, remained the market share leader\*<sup>1</sup> in North America for the 10th consecutive year, and Raymond, as a leading provider of electric lift trucks and solutions used in warehouse and distribution environments, focused on helping warehouses and other facilities achieve more efficient and sustainable operations through Eco-Performance.

\*1: Survey by Crist Information & Research, LLC, 2011

**Proactively Launching New Products and Services**

TMHNA introduced a compact battery compartment option available on Toyota 8-Series 4-wheel AC electric lift trucks. The new option supports customer requirements to operate in cramped warehouses and environments.



Toyota 8-Series 4-wheel AC electric lift truck

The new Raymond 7000 Series Reach-Fork trucks were introduced featuring industry-leading lift and lower speeds, and regenerative lowering, which produces energy when the forks are lowered to increase battery shift life. The newly developed Raymond Courier™ automated lift truck allows for flexible automation without system constraints through the integration of vision guided



Raymond 7000 Series Reach-Fork truck

technology that does not require lasers, magnetic tape, wires or additional infrastructure. As a result, the automated lift truck can be flexibly integrated into a variety of facilities.

**Highly Acclaimed TOYOTA and RAYMOND Brands**

TMHNA is committed to developing and providing products and services that satisfy the diverse needs of customers and assist them in setting up a highly efficient logistics environment.

In recognition of such initiatives, *Plant Engineering* magazine awarded TOYOTA's new 8-Series 4-wheel AC electric lift trucks the 2011 Product of the Year Gold Award in the Material Handling Category. *Plant Engineering* also awarded a 2011 Product of the Year award to RAYMOND's new Models 9300/9400 Sideloaders lift trucks.

Also, in an independent study of lift truck users, TOYOTA took top billing as the lift truck customers consider safest and most reliable\*<sup>2</sup>. In the supply of parts as well, lift truck users voted Toyota genuine parts highest in quality and reliability for the third year in a row.

\*2: Survey by Peerless Media Research Group, 2011

**Aiming to Provide Customer-Oriented Services and Industry's Leading Products**

Growth of the North American lift truck market is expected to slow in 2012 compared with the previous year. TMHNA will seek to further enhance synergies to ensure the full power of both the TOYOTA and RAYMOND brands is utilized. TMHNA will continue to offer customer-centric services and industry-leading products to enhance efficiency and productivity while lowering costs.

**Topic**

In 2011, Toyota Industrial Equipment Mfg., Inc. (TIEM), a subsidiary producing TOYOTA-brand lift trucks in North America, recorded cumulative total lift truck production of 400,000 units. TIEM was selected as one of the 10 Best Plants in North America in 2011 by *IndustryWeek* magazine and earned the Company of the Year Award for 2011 from the Columbus Area Chamber of Commerce. In addition, TIEM received the Occupational Excellence Achievement Award from the National Safety Council in recognition of recording a lost work time rate of less than 50% of companies in the same business classification, as well as the 2011 Governor's Award for Environmental Excellence from the governor of the U.S. state of Indiana.



The RAYMOND brand was exhibited at MODEX 2012, a trade show held in February 2012 in Atlanta, Georgia. During the event, the RAYMOND brand appealed to visitors its ability to offer solutions that enable energy savings and other benefits along with efficient logistics.



MODEX 2012 trade show

■ European Market

**Increasing Unit Sales by Grasping Market Trends**

In 2011, the lift truck market in Europe showed signs of recovery on an annual basis, although growth slowed in the second half. Overall, demand in the market increased by more than 20% year-on-year.

Amid this environment, Toyota Material Handling Europe (TMHE) participated in various exhibitions to capture latent demand by offering logistics solutions and to promote a wide array of products and services. As a result of these proactive sales expansion activities, TMHE recorded unit sales of 60,000 units, an increase of 21% over the previous fiscal year.

**Sales Expansion Efforts Including New Product Series and Services**

TMHE launched the new BT Optio L, an ergonomically designed order picker introducing the new "Smooth Operator" concept. The product features a function to automatically control the operating speed when going around a curve and a suspension mechanism to ensure a smooth ride by absorbing vibrations from under the driver's seat. The BT Optio L-series won the Gold Award, the highest among the iF Product Design Awards\*, for its excellent performance, functionality and quality of design.

TMHE has also been focusing on logistics solutions services, and as a result of its proactive sales expansion activities, obtained a number of new customers in fiscal 2012. TMHE contributes to reducing operational costs and enhancing safety by offering a variety of solutions, including automated logistics.

\* The iF Product Design Award is one of the world's most prestigious awards presented every year since 1954 by the Germany-based organization International Forum Design.



BT Optio L-series order picker

## Appealing Excellent Quality of Products and Services at Exhibitions

In May 2011, TMHE participated in CeMAT, the world's leading intralogistics trade fair, in Hannover, Germany. Visitors were able to see the full range of products and services offered by TMHE under the corporate theme "Responsible Together" in three areas: Responsible Innovation, Safety Dojo and Empowering Your Business. Attendees could experience a live demonstration of the Toyota GENEO HYBRID lift truck and automated order picking along with using interactive tools to discover innovative logistics solutions to help reduce customers' costs.



TMHE booth at CeMAT

At CeMAT, the new range of CESAB-brand counterbalanced lift trucks featuring improved mast operability and superior safety in addition to warehouse trucks were exhibited.



CESAB booth at CeMAT

At the Inter Airport Europe exhibition held in October 2011 in Munich, Germany, TMHE presented its flight carriers, a range of towing tractors designed for airport materials handling, which have been introduced at airports all over the world.



Toyota towing tractor

## Helping Customers Reduce Operational Costs and Contributing to Better Materials Handling Environment

TMHE will continue to support customers across Europe to reduce their operational costs through advanced automated systems and an extensive product lineup, as well as excellence in service, with innovative solutions like the Toyota I\_Site fleet management system. TMHE will continue with its activities to work responsibly together with its customers, suppliers and partners for a better materials handling environment. Its ongoing partnership with EU-OSHA (European Agency for Safety and Health at Work) is one example of such initiatives. Under the theme "Working Together for Risk Prevention," both management and the workforce will increase collaboration to ensure safety in the workplace.

## ALOMA\* and Chinese Markets

### Further Upgrading Sales and Service Capabilities

Toyota Material Handling International (TMHI) covers the ALOMA\* markets of Asia, Latin America, Oceania, the Middle East and Africa, while Toyota Material Handling China (TMHCN) covers the Chinese market.

In 2011, these markets have experienced strong demand for lift trucks supported by continued economic expansion. Although both TMHI and TMHCN engaged in key efforts to further strengthen their competitive position in sales and services, sluggish sales in China resulted in unit sales in these markets decreasing 3% to around 33,000 units in fiscal 2012.

\* ALOMA stands for Asia, Latin America, Oceania, Middle East and Africa.

## Reinforcing Production and Sales Operations in Growing Markets

To secure a competitive position in the expanding Indian market, Toyota Material Handling India Pvt. Ltd. (TMH India) started operations in May 2011. Concerted efforts are being made to expand sales and service operations to further improve capabilities to serve customers nationwide based on a full range of products.

In Brazil, which is the largest industrial vehicle market in Latin America, besides stepping up sales activities, the decision was made to construct a new production plant in São Paulo. In October 2013, the new plant will commence production of internal-combustion lift trucks, for which there is strong market demand. Production will gradually be extended to cover other products.

In Vietnam, Toyota Industrial Equipment Vietnam Co., LTD. (TIEV) commenced production of motors for electric lift trucks in April 2012. By supplying these motors to lift truck assembly plants worldwide, TIEV is strengthening its price competitiveness.



Toyota Industrial Equipment Vietnam Co., LTD.

In China, Toyota Industry (Kunshan) Co., Ltd. (TIK) launched production of the new 8FBN electric lift truck, a global model. The 8FBN was rolled out in the Chinese market in June 2011 and subsequently in the ALOMA markets in February 2012. A plant was also set up to produce BT-brand low lift trucks in Foshan, Guangdong Province, and another one to manufacture RAYMOND-brand compact towing tractors in Dalian, Liaoning Province. On the sales front, in addition to upgrading the capabilities of existing distributors, a joint sales company was established and began operations in September 2011. These activities were aimed at further reinforcing sales and service networks in major cities.



Toyota 8FBN electric lift truck

## Offering Products Attuned to Needs in Each Region and Building Optimum Supply Structure

An upward trend in demand for lift trucks is expected in the ALOMA and Chinese markets in 2012. TMHI and TMHCN will continue to enhance their capabilities in terms of providing a full range of excellent lift trucks and services matched to needs in respective regions and establishing an optimum supply structure to meet customer expectations.

## Topic

The 2nd TMHI Distributor Conference held in November 2011 brought together around 70 representatives from 42 distributors of the TOYOTA, BT and RAYMOND brands in 35 countries in the ALOMA markets. TMHI's medium-term targets and action plans for achieving them were presented. In addition, participants also increased their product knowledge about lift trucks, warehouse trucks and towing tractors for each brand, together with visiting a service facility of a TMHJ dealer to learn about sales management and site operations.



TMHI Distributor Conference

In the fields of vehicle assembly, engines, car air-conditioning compressors and car electronics, Toyota Industries is contributing to the creation of eco-friendly and comfortable automobiles by leveraging its environmental technologies for energy savings, electrification and lighter weight.

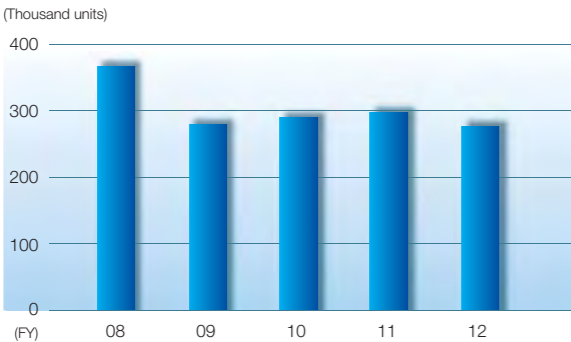
Vehicle

Business Overview in Fiscal 2012

In the automobile industry, despite sluggish growth of the Japanese market, the global market grew in line with continued market expansion in Asia and a market upturn in North America. Although adversely affected by the earthquake in Japan and the flooding in Thailand, Toyota Industries worked hard to restore production activities.

In fiscal 2012, unit production dropped by 17,000 vehicles, or 6%, from the previous fiscal year to 278,000 vehicles, due to lower sales of the RAV4 and Vitz (Yaris outside Japan). Net sales were down ¥21.1 billion, or 6%, to ¥354.4 billion.

Vehicle Production



Plastic Glazing Panoramic Roof for the Prius α (Prius v in North America and Prius + in Europe)

Toyota Industries commenced production of a panoramic roof made of plastic glazing for the Prius α, a hybrid

vehicle marketed by Toyota Motor Corporation (TMC) in May 2011. In light of the growing demand for reduced vehicle weight, we have developed plastic glazing as a lighter-weight substitute for glass.

This product retains the beautiful surface quality typical of a glass roof yet is approximately 40% lighter\* than its glass counterpart, improving vehicle fuel efficiency and thus contributing to the reduction of CO<sub>2</sub> emissions. We are currently receiving numerous inquiries from many automakers in and outside Japan. Toyota Industries will continue to develop attractive new products that leverage the distinctive characteristics of plastic glazing.

\* Survey by Toyota Industries Corporation



Enhancing Appeal of the Vitz

Both Toyota Industries and TMC had undertaken domestic production of the Vitz until March 2010; however, we became the sole producer in Japan. We also designed a portion of its upper body and interior, as well as the RS, a sporty model in the Vitz family, thereby undertaking a full range of processes from development to production. With a view to turning the Vitz into a long-selling series, Toyota

Industries collaborates with TMC to make suggestions on new vehicle specifications and car-related goods under the banner “Make Our Vitz More Attractive by Ourselves.” At the same time, we also undertake activities to expand our customer base by enhancing the appeal of the Vitz through our support to motorsports events.

Highest-Level QCD to Contribute to Production of Attractive Toyota Cars

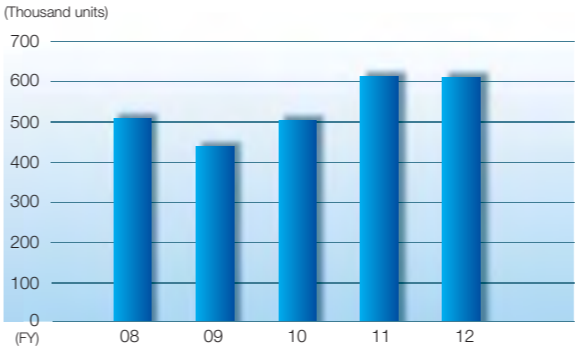
In the face of the shrinking automobile market in Japan, we are further strengthening our superior level of quality, cost and delivery (QCD). We also are working to leverage our ability to quickly start up production and a flexible structure in terms of production volume and vehicle models to contribute to production in Japan of Toyota vehicles.

Engine

Business Overview in Fiscal 2012

An increase in production primarily of KD diesel engines was offset by a drop in production of AR gasoline engines, and production volume in fiscal 2012 remained on par with the previous fiscal year at 610,000 units. Net sales were at the same level as the previous fiscal year at ¥197.1 billion.

Engine Production



Toyota Industries' Diesel Engines Highly Acclaimed by Customers Worldwide

Toyota Industries' diesel engines, fitted in a variety of Toyota vehicles sold around the world, have gained high market recognition for their cleaner emissions, greater fuel efficiency and higher performance. KD diesel engines, for which production started in 2005, are installed in TMC's Innovative International Multi-Purpose Vehicle (IMV) series, and their sales have been achieving steady growth mainly in Asia and Latin America. The V-type 8-cylinder VD diesel engine, which was developed primarily by Toyota Industries, is installed in the Land Cruiser, and sold particularly well in Australia, Russia and the Middle East.

The RAV4 and Lexus IS for Europe are equipped with our AD diesel engine that cleared Euro 5 emission standards in 2008.

In 2011, our KD and VD diesel engines also passed Euro 5 emission standards, and we worked to attain greater fuel efficiency for our AD diesel engines.



KD diesel engine

Developing Competitive Engines in Fields Other than Automobiles

Toyota Industries' engines are highly renowned for their excellent environmental performance in non-automotive fields as well. These engines are used for a wide variety of applications, including GENEO-HYBRID diesel-powered internal-combustion hybrid lift trucks, and adopted by GHP\*1 manufacturers in Japan and CHP\*2 manufacturers worldwide.

\*1: Short for gas heat pump; air conditioner driven by a gas engine  
\*2: Short for combined heat and power; co-generation system

Aiming to Bring Satisfaction to More Customers

Toyota Industries has been making efforts to achieve shorter development cycles with improved efficiency. At the same time, we have been carrying out development of next-generation automobile engines that can clear Euro 6 and other stringent emission standards, as well as engines for materials handling equipment and general purposes, featuring greater fuel economy and lower costs.

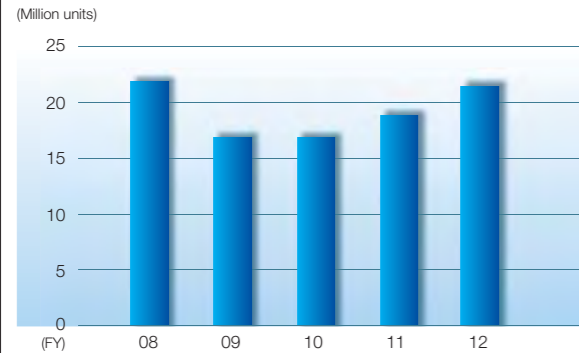
We have been participating in various overseas exhibitions, with an eye to acquiring new customers for our general-purpose engines. Looking ahead, we will establish optimum sales and service structures matched to each market with a focus on sales expansion activities mainly in emerging countries.

## Car Air-Conditioning Compressor

### Business Overview in Fiscal 2012

Unit sales of car air-conditioning compressors increased both in and outside Japan, pushing up overall unit sales by 2.72 million units, or 14%, to 21.55 million units. Net sales rose ¥14.7 billion, or 8%, over the previous fiscal year to ¥206.5 billion.

#### Compressor Sales

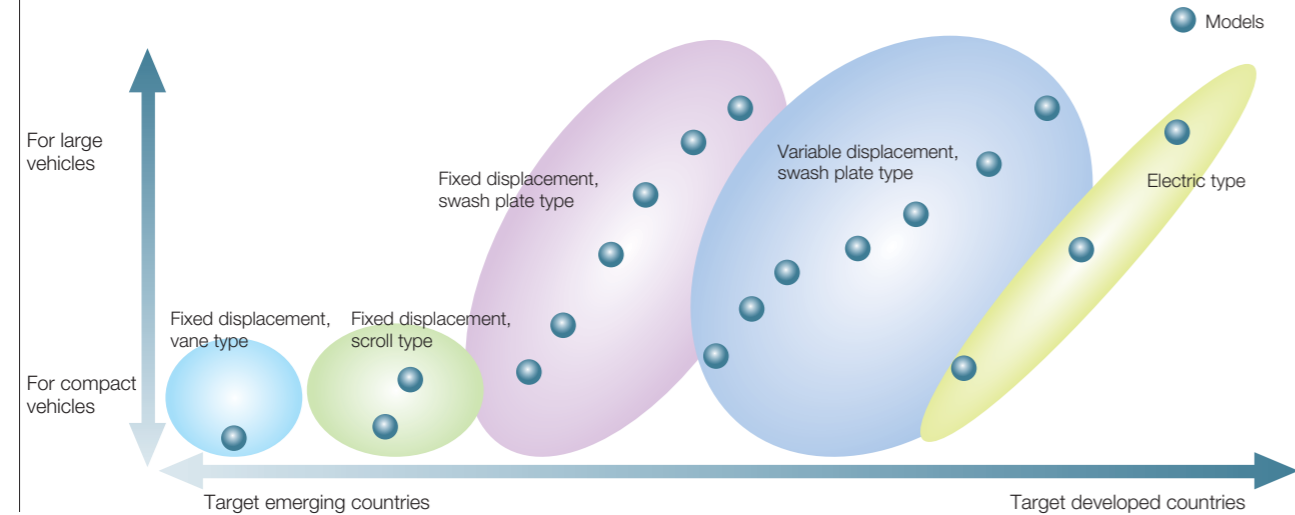


### Enhancing Appeal of Our Extensive Lineup

In order to meet a diverse range of customer needs, Toyota Industries offers a full lineup of car air-conditioning compressors, including a vane type for compact vehicles, fixed-displacement type for medium to large vehicles, variable-displacement type and electric type.

Our extensive lineup can adequately respond to the regionally diverse needs of customers both in developed and emerging countries. We intend to further enhance the appeal of our extensive lineup.

#### Toyota Industries' Compressor Lineup



For developed countries, we are promoting the development of variable-displacement type compressors with greater fuel efficiency and electric compressors that are compact, lighter and quiet.

Since initially being installed in the second-generation Prius, our electric compressors have been fitted in all Toyota hybrid vehicles (HVs), from the third-generation Prius to the Aqua (Prius c in North America). Backed by our proven sales track record to TMC coupled with strong product appeal, we have been receiving an increasing number of inquiries from other automakers around the world for application in their HVs, plug-in hybrid vehicles (PHVs) and electric vehicles (EVs).

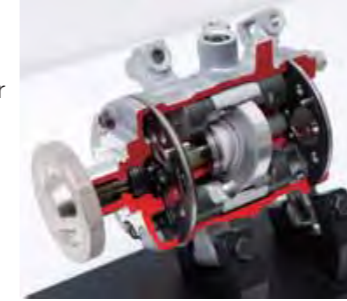
In emerging countries, we are working to improve the reliability and price competitiveness of our fixed-displacement type compressors. We are also striving to optimally match functionality and costs for variable-displacement type compressors, for which demand is growing. Combining the appeal of our products with our ability to provide excellent technical support required by automakers, we intend to increase our share in respective emerging countries where our sales presence is relatively small.



### Further Augmenting Global Production and Procurement Structures

We have been increasing production of our variable-displacement type compressors in North America and Europe in response to the growing need for higher fuel efficiency in developed countries. In Japan, we have been expanding our capacity to manufacture electric compressors.

In emerging countries, P.T. TD Automotive Compressor Indonesia (TACI), a new car air-conditioning compressor production base, commenced production operations in June 2011. We will further augment TACI's production capacity to respond to the growing ASEAN automobile markets.



10SA13 fixed-displacement type compressor produced by TACI and installed in TMC's IMV series vehicles and the Etios



Personnel engaged in development work

In terms of procurement, we will take steps to reduce costs by establishing an optimum procurement structure on a global basis and increasing procurement from local business partners.

### Establishment of Production Base for Variable-Displacement Type Car Air-Conditioning Compressor Parts in the United States

In February 2012, we established Toyota Industries Compressor Parts America, Co. (TICA), a production base for car air-conditioning compressor parts for the North American market, in the U.S. state of Georgia.

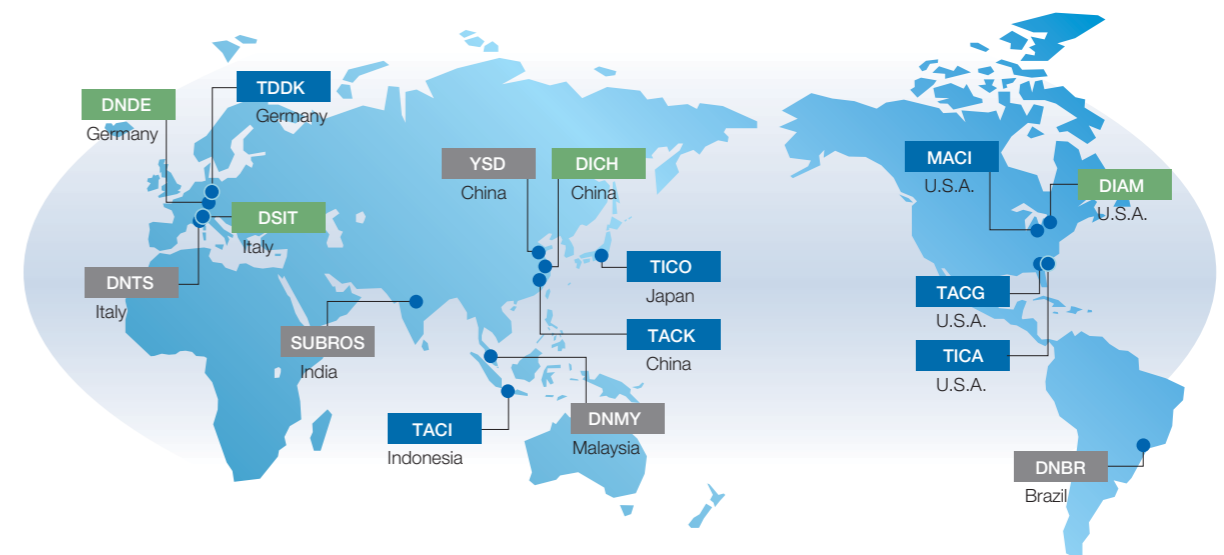
Through the establishment of the new company, we aim to meet the growing demand in North America for fuel-efficient variable-displacement type compressors, increase the ratio of compressor parts procured locally and improve our price competitiveness.

TICA plans to start the production of parts in September 2013 for two compressor production bases in the United States. By fiscal 2017, TICA intends to produce parts for 6 million compressors annually.



Testing

#### Worldwide Bases of Car Air-Conditioning Compressors



■ : Consolidated production bases ■ : Licensed manufacturers ■ : Technical service stations

Toyota Industries' car air-conditioning compressors are widely adopted by automakers around the world, garnering the No. 1\* position in global sales.

\* Survey by Toyota Industries Corporation

## Car Electronics

### Business Overview in Fiscal 2012

In fiscal 2012, Toyota Industries posted an increase in net sales of car electronics products, fueled by a rise in production of the Toyota Prius and other HVs, and an increase in the number of models fitted with our products, such as the Aqua and the Prius Plug-in Hybrid.

### Gaining Experience and Greater Role in Electric-Powered Vehicle Field

Toyota Industries develops and produces electronic components and devices for electric-powered vehicles, including HVs, PHVs and EVs.

#### [ Auxiliary Power Source Devices ]

A DC-DC converter converts the high voltage of HV batteries to a lower voltage level suitable for operating lights, wipers, horns and other auxiliary devices. Since being adopted in the first-generation Prius, we have continuously developed more compact and lighter weight models to be fitted in the third-generation Prius and Aqua. As of the end of February 2012, cumulative production hit 4 million units.



DC-DC converter fitted in the Prius

A DC-AC inverter is used to run home electric appliances in a vehicle. Following the earthquake in Japan, it has been drawing much attention as an emergency power source device.

With regard to onboard chargers, we have developed and made sales approaches by utilizing our technologies and know-how in developing EV chargers in the 1990s and 1,500W AC power source devices. The resulting onboard charger is fitted in the Prius Plug-in Hybrid introduced to the market by TMC in January 2012.

#### [ Core Components for Drive Systems ]

Toyota Industries applied its proprietary direct-cooling method to develop a device with significantly higher cooling performance. We have entered the field of core components for drive systems such as power control units (PCUs) for the third-generation Prius.

In January 2010, we initiated an electric powertrain promotion project as a Company-wide organization to promote electrification of our products. We have since worked to bolster the development of core components and systems for drive systems.

As the first product developed under this project, we released a powertrain unit for EVs in November 2011. We integrated designs of functional components, such as an inverter, motor and reduction gears, into one package and successfully reduced the size and weight.



Powertrain unit for EVs

#### [ Charging Infrastructure ]

We developed a public-use charging stand for PHVs and EVs jointly with Nitto Kogyo Corporation and launched sales in July 2009. Upon the market introduction of the Prius Plug-in Hybrid, we co-developed with Nitto Kogyo in 2011 a home-use charging unit that features a simple design and easy-to-use functionality.



Home-use charging unit

### Accelerating Development Activities to Contribute to Realization of Low-Carbon Society

Demand for environment-friendly products with high energy efficiency is expected to grow more rapidly, with the trend toward electrification likely to expand not only for automobiles but also for such non-automotive products as materials handling equipment. Enhancement of the charging infrastructure will also take a greater role in promoting the spread of PHVs and EVs.

Targeting the high-growth, electric-powered vehicle market, we will accelerate development of technologies and products in the fields of auxiliary power source devices, core components and systems for drive systems and charging infrastructure, thereby making a significant contribution to the realization of a low-carbon society.

# Logistics

Toyota Industries offers customers highly advanced, efficient logistics services to respond to their diverse needs, including consigned operation of distribution centers; land transportation services; cash collection and delivery and cash proceeds management services; and data storage, management, collection and delivery services.



### Business Overview in Fiscal 2012

The logistics industry recovered from the effects of the earthquake and the flooding in Thailand relatively quickly, generating a steady logistics volume. Toyota Industries continued to seek new orders and strengthen the business structure through profit improvement activities. However, due to such factors as selling our shares in a logistics service subsidiary, Mail and e Business Logistics Service Co., Ltd., net sales in fiscal 2012 were down ¥14.8 billion, or 14%, from the previous fiscal year to ¥92.9 billion.

### Planning, Design and Operation of Distribution Centers

Toyota Industries operates distribution centers for various industries and customers. During fiscal 2012, operation of existing distribution centers was less affected by the earthquake and the flooding and generated a relatively steady logistics volume. We continued to promote cost reduction activities at logistics sites based on the thinking embodied in the Toyota Production System (TPS) to strengthen our profit structure.

We continued our proactive sales activities by making proposals to optimize the entire supply chain of each customer. As a result, we successfully obtained two new orders for the consigned operation of distribution centers.

We also actively carry out consulting services to respond to customer needs in an effort to capture latent demand for consigned operation of distribution centers and logistics systems.

### Land Transportation Services

The Taikoh Transportation Group provides land transportation services under consignment from many automotive parts manufacturers. The group collects finished parts from manufacturers, compiles them by their destination and delivers to automakers "what is needed, when it is needed and in the quantity needed."

During fiscal 2012, while the automobile industry, our principal customer, was affected by the earthquake and the flooding, an early recovery in production operations and growing demand for eco cars resulted in a steady increase in the volume of automotive parts transportation.

Under these circumstances, we continued our profit improvement activities by promoting efficient cargo transport while aggressively undertaking activities to ensure safe and eco-conscious operations.

We will further reinforce our sales activities to capture new customers and expand our business domain.



Taikoh Transportation Group's land transportation services

## ■ Initiating Feasibility Test of a Delivery Locker

With the aim of expanding our business domains, Toyota Industries has conducted a feasibility study and product development in the delivery locker business. Based on these efforts, we have successfully developed a locker with advanced security features, including the ability to identify individual users, and initiated feasibility trials in cooperation with universities and public transportation service providers. Through these trials, we aim to analyze its serviceability for users and utilize the results in future development.

The recent sharp increase in the use of online shopping services has spurred the needs for greater user convenience and higher efficiency in logistics operations. We will leverage the advanced functionality of our distribution lockers as a relay between senders and recipients and accelerate business development targeting home-delivery service providers, commercial facilities, companies and homes, with the ultimate goal of contributing to the establishment of a social infrastructure in the field of delivery services.

## ■ High Value-Added Services Including Cash Collection and Delivery and Cash Proceeds Management and Data Storage, Management, Collection and Delivery

### ■ Cash Collection and Delivery and Cash Proceeds Management

Asahi Security Co., Ltd. provides cash collection and delivery and cash proceeds management services on a 24/7 basis to about 2,450 customers mainly in the retail and service industries.

In addition to cash collection and delivery services tailored to each customer's specific needs, Asahi Security offers comprehensive services that include management of gift certificates and accounting operations at customers' retail outlets and aims to be a total service provider for customers.

During fiscal 2012, with a view to reinforcing its



Asahi Security Co., Ltd.'s cash collection and delivery and cash proceeds management services

nationwide support service network, Asahi Security opened cash collection and delivery centers in Okinawa and Kagoshima prefectures while relocating and expanding the existing base in Nagoya. Logistics sites were also opened in Hokkaido, Ehime, Nagano and Tochigi prefectures.

At each business base, Asahi Security conducts regular training on its own as well as emergency training jointly with local police departments in order to provide safe and trusted services to customers.

### ■ Data Storage, Management, Collection and Delivery

Wanbishi Archives Co., Ltd. provides support to about 4,000 companies and organizations, including large financial institutions and government agencies, to ensure the security and efficient use of their information assets. Under its robust security structure, Wanbishi Archives offers a comprehensive range of services covering the entire lifecycle of critical information assets, from storage and utilization to destruction.

Wanbishi Archives also offers high value-added services in its outsourcing business, such as digitizing paper documents, by being closely involved in customers' business processes.

Based on a survey conducted after the earthquake in March 2011 on how companies manage their information assets, Wanbishi Archives opened Tohoku Center 1, an information management center, in Natori, Miyagi Prefecture, in November 2011. The survey results were announced the following month.

After the massive earthquake, making a backup of information assets has become a matter of great importance in terms of developing a reliable business continuity plan (BCP). Wanbishi Archives is improving the quality of its services by enhancing its data backup services through its secure remote backup and storage operations.

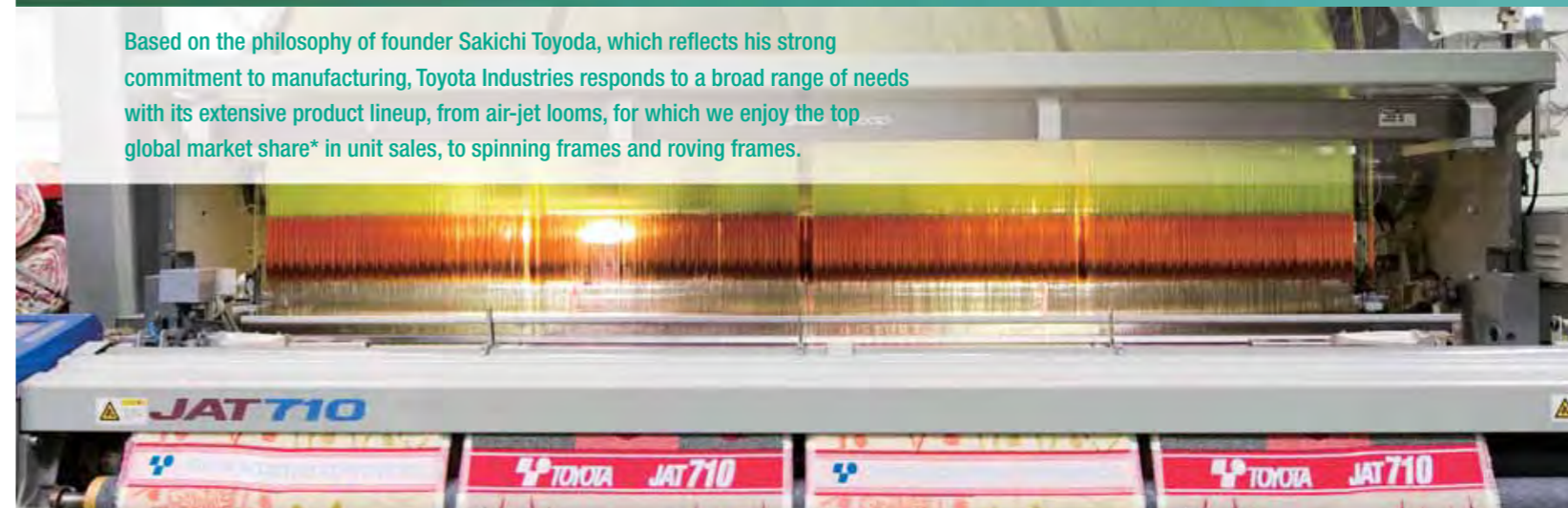
Outside Japan, Wanbishi Archives launched full-scale information assets management services in China through its local subsidiary established in Kunshan. Capitalizing on its experience and know-how accumulated in Japan, Wanbishi Archives provides support to companies and organizations doing business in China to ensure the security and efficient use of their information assets. Through such efforts, Wanbishi Archives is actively pursuing business opportunities in growth markets.



Wanbishi Archives Co., Ltd.'s Tohoku Center 1

# Textile Machinery

Based on the philosophy of founder Sakichi Toyoda, which reflects his strong commitment to manufacturing, Toyota Industries responds to a broad range of needs with its extensive product lineup, from air-jet looms, for which we enjoy the top global market share\* in unit sales, to spinning frames and roving frames.



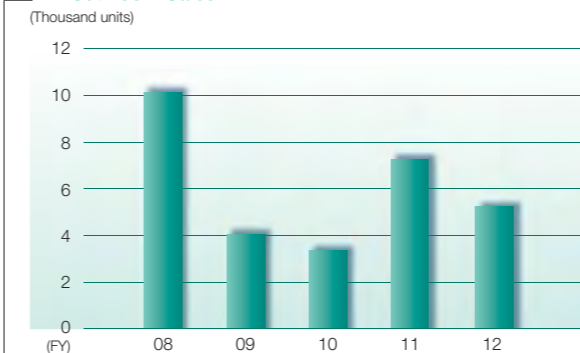
\* Toyota Industries holds the world's No.1 position for the 15th consecutive year since 1997. Statistics from the International Textile Manufacturers Federation (ITMF), 2011

## Business Overview in Fiscal 2012

In the textile machinery field, unit sales were down 2,000 units, or 28%, to 5,200 units, reflecting a drop in sales of air-jet looms to China. Net sales accordingly declined ¥4.2 billion, or 10%, from the previous fiscal year to ¥38.5 billion.

With the aim of further reinforcing the Textile Machinery Business, we made Swiss-based Uster Technologies AG into a Toyota Industries subsidiary in February 2012.

### Air-Jet Loom Sales



## Further Enhancing Product Appeal

For our mainstay air-jet looms, we improved the electronic shedding device that enables the weaving of fabrics with complex patterns in May 2011. For this latest device, we also developed the proprietary water-cooled motor, which is compact and consumes less electricity. The air-jet loom also is equipped with a new weft yarn inserting system to reduce the amount of air required to carry the weft yarn.

In the field of spinning machinery, we launched sales of the RX300 high-speed ring spinning frame in September 2011. This product is equipped with a new type of highly efficient motor and a new type of pneumatic suction cleaning device, offering excellent energy-saving performance.

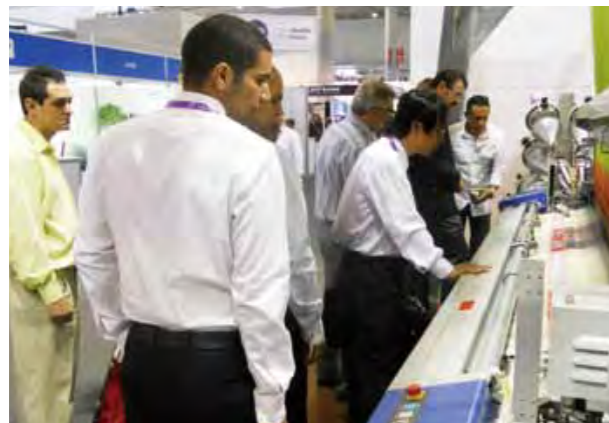


RX300 high-speed ring spinning frame



## Participation in ITMA 2011

In September 2011, ITMA 2011, the world's largest textile machinery trade show, was held in Barcelona, Spain. At the trade show, Toyota Industries displayed the JAT710 air-jet loom, which was equipped with the new electronic shedding device, a new weft yarn inserting system and other devices, as well as the latest RX300 high-speed ring spinning frame. By demonstrating their actual operations, we appealed our excellent technological capabilities and strong commitment to environmental performance to visitors from many countries, including India, Brazil and Pakistan.



Toyota Industries' booth at ITMA 2011

## Strengthening Product Appeal through Alliance with Uster Technologies AG

In February 2012, Uster Technologies AG joined the Toyota Industries Group. Uster develops, produces and sells cotton classing and yarn testing instruments that are used throughout the world. Uster defined quality benchmarks using yarns that it had stockpiled from all over the world for more than 50 years and subsequently developed yarn testing instruments based on these benchmarks. Yarns tested and cleared with these instruments guarantee a globally accepted level of quality. The company also possesses leading-edge sensor technology. We intend to develop innovative products by applying their world's most advanced technology to our air-jet looms and other textile machinery.



Cotton classing instrument



Yarn testing instrument



Uster Technologies AG

Toyota Industries Report

**2012**

## Corporate Social Responsibility

Corporate Philosophy ————— p **42**

(Toyoda Precepts, Basic Philosophy and CSR Policy)

Corporate Governance ————— p **43-49**

Relationship with Our Customers ————— p **50**

Relationship with Our Associates ————— p **51-52**

Relationship with Our Business Partners ————— p **53**

Relationship with Our Shareholders and Investors ————— p **54**

Relationship with Our Local Communities ————— p **55-56**

# Corporate Philosophy

(Toyoda Precepts, Basic Philosophy and CSR Policy)

Based on the Basic Philosophy that carries on the spirit of founder Sakichi Toyoda, the Toyota Industries Group contributes to the harmonious and sustainable development of society and the Earth under its CSR Policy.

Guided by a strong ambition to “contribute to society and the world through *monozukuri* (manufacturing),” Toyota Group founder Sakichi Toyoda devoted himself to “endless creativity, inquisitiveness, and the pursuit of improvement” and made various inventions including the non-stop shuttle-change Toyoda Automatic Loom, Type G. The spirit of Sakichi is enshrined in the Toyoda Precepts, formulated in 1935 and passed down today in our Basic Philosophy, which we established in 1992 and revised in 1998.

The business environment surrounding Toyota Industries is continuing to evolve rapidly and dramatically. Regardless of changes in the business environment and values, we remain unchanged in our belief that realizing our Basic Philosophy is the cornerstone of the Toyota Industries Group’s corporate social responsibility (CSR). Acting on this belief, in March 2009 we formulated and implemented the Toyota Industries Group CSR Policy, which clarifies our relationships with stakeholders, namely customers, employees, business partners, shareholders and local and global communities.

The CSR Policy is divided into nine areas, and the CSR Committee\* confirms and evaluates the implementation status of this policy and promotes CSR activities.

\* Chaired by the president, the committee convenes twice per year and consists of directors, managing officers and corporate auditors.



### ■ Toyoda Precepts

- Always be faithful to your duties, thereby contributing to the Company and to the overall good.
- Always be studious and creative, striving to stay ahead of the times.
- Always be practical and avoid frivolousness.
- Always strive to build a homelike atmosphere at work that is warm and friendly.
- Always have respect for God, and remember to be grateful at all times.

### ■ Basic Philosophy

#### [Respect for the Law]

Toyota Industries is determined to comply with the letter and spirit of the law, in Japan and overseas, and to be fair and transparent in all its dealings.

#### [Respect for Others]

Toyota Industries is respectful of the people, culture, and traditions of each region and country in which it operates. It also works to promote economic growth and prosperity in those regions and countries.

#### [Respect for the Natural Environment]

Through its corporate activities, Toyota Industries works to contribute to regional living conditions and social prosperity and also strives to offer products and services that are clean, safe and of high quality.

#### [Respect for Customers]

Toyota Industries conducts intensive product research and forward-looking development activities to create new value for its customers.

#### [Respect for Employees]

Toyota Industries nurtures the inventiveness and other abilities of its employees. It seeks to create a climate of cooperation, so that employees and the Company can realize their full potential.

### ■ CSR Policy (Preamble)

We, Toyota Industries Corporation and our subsidiaries, contribute to the harmonious and sustainable development of society and the Earth through all business activities that we carry out in each country and region based on our Basic Philosophy.

We comply with local, national, and international laws and regulations as well as the spirit thereof, and we conduct our business operations with honesty and integrity.

In order to realize sustainable development, we carry out management with an emphasis on stakeholders, and we will endeavor to build and maintain sound relationships with our stakeholders through open and fair communication.

We expect our business partners to support this initiative and act in accordance with it.

Access Toyota Industries’ Website for details.  
<http://www.toyota-industries.com/corporateinfo/philosophy/>

### CSR Areas



# Corporate Governance

As a globally operating company, Toyota Industries seeks sound and efficient management to maintain the trust of every stakeholder.

### Basic Perspective of Corporate Governance

Toyota Industries strives to enhance the long-term stability of its corporate value and maintain society’s trust by earnestly fulfilling its CSR commitments in accordance with its Basic Philosophy.

To that end, Toyota Industries strives to enhance its corporate governance based on the belief that maintaining and improving management efficiency and the fairness and transparency of its corporate activities is of utmost importance.

### Corporate Governance Structure

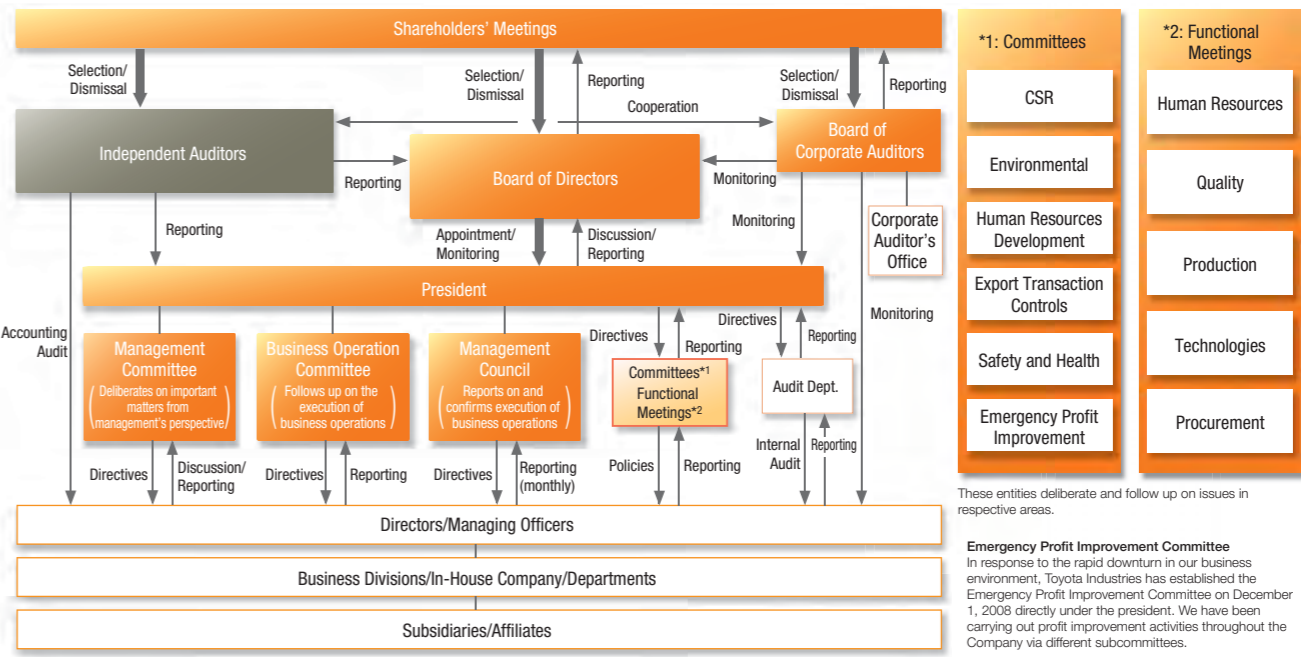
### Implementation Structure

Toyota Industries convenes monthly meetings of the Board of Directors to resolve important management matters and monitor the execution of duties by directors. We also appoint outside directors who are knowledgeable about our business operations. They attend meetings of the Board of Directors and give opinions and ask questions as deemed necessary. Through this supervisory function of outside directors, we ensure the legality and validity of the Board’s decisions as well as directors’ execution of duties

from an objective perspective. The Management Committee, which is composed of directors above the executive vice president level as well as relevant directors, managing officers and corporate auditors, deliberates on a variety of issues concerning important management matters such as corporate vision, management policies, medium-term business strategies and major investments.

Toyota Industries has a divisional organization system, with significant authority delegated to each business division. For especially crucial matters, however, we have established the Business Operation Committee to enable the president to meet with the heads of each business division regularly to monitor and follow the status of their business execution. At meetings of the Management Council, directors, managing officers and corporate auditors convene to report and confirm the monthly status of business operations and share overall deliberations at Board of Directors meetings and other management-related information.

In addition, issues pertaining to human resources, quality, production, technologies, procurement and other functions are discussed at the corresponding functional meetings. We have also put in place committees to deliberate on more specific matters, such as CSR, the environment, human resources development and export transaction controls. These functional meetings and committees discuss important matters and action themes in respective areas.



These entities deliberate and follow up on issues in respective areas.

**Emergency Profit Improvement Committee**  
In response to the rapid downturn in our business environment, Toyota Industries has established the Emergency Profit Improvement Committee on December 1, 2008 directly under the president. We have been carrying out profit improvement activities throughout the Company via different subcommittees.

## Board of Corporate Auditors System

Toyota Industries has adopted a board of corporate auditors system. Two full-time corporate auditors and three outside corporate auditors attend meetings of the Board of Directors to monitor the execution of duties by directors. At the same time, meetings of the Board of Corporate Auditors are held once a month to discuss and make decisions on important matters related to auditing. The full-time corporate auditors carry out auditing by attending primary meetings and receiving reports directly from directors. Additionally, we have assigned dedicated personnel, while corporate auditors monitor the legality and efficiency of management through collaboration with independent auditors and the Audit Department.

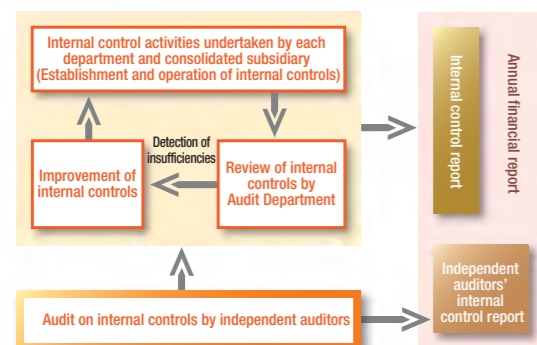
As a publicly listed company, Toyota Industries strives to ensure the fairness and transparency of management. Following the Securities Listing Regulations stipulated respectively by the Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange, we designated as independent auditors two outside auditors who have no conflicts of interest with our shareholders to further enhance our corporate governance.

## Internal Control System

In accordance with the Corporation Law of Japan, in May 2006 Toyota Industries' Board of Directors adopted the Basic Policies for the Establishment of an Internal Control System (Basic Policies) to ensure compliance, risk management as well as the effectiveness and efficiency of business operations. The CSR Committee, at its meeting held in March, assesses the progress made in implementing the Basic Policies in the year under review and determines actions for the coming year, including reviewing the implementation structure and enhancing day-to-day operational management.

Furthermore, based on the Financial Instruments and Exchange Law (so-called Japanese Sarbanes-Oxley Act (J-SOX)), we have established and appropriately operated an internal control system to maintain the reliability of financial reporting. The system's status and progress are reviewed by the Audit Department and audited by independent auditors. We determine which Toyota Industries Group companies fall within the scope of J-SOX based on the degree of impact on the reliability of financial reporting.

### Internal Control Assessment System (Based on J-SOX)



We determined that our internal controls over financial reporting as of the end of fiscal 2012 are effective, and accordingly, submitted an Internal Control Report in June 2012. The report was reviewed by independent auditors and judged fair in their Independent Auditors' Report.

## Compliance

### Four Pillars of Compliance Activities

We believe that compliance means both adhering to laws and regulations and observing ethics and social norms. In order to ensure compliance, it is vital that we raise the awareness of each and every employee.

Under the strong leadership of top management, we promote compliance throughout the Toyota Industries Group, including consolidated subsidiaries in and outside Japan, by formulating a Code of Conduct and thoroughly informing employees together with checking and confirming compliance.

### Four Pillars of Compliance Activities



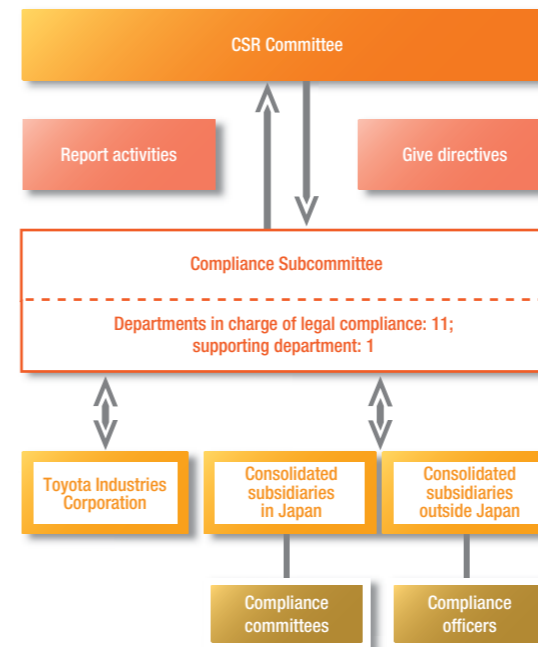
### Establishment and Reinforcement of Implementation Organization

To promote compliance throughout the Toyota Industries Group, we have established the Compliance Subcommittee (led by an executive in charge of legal affairs\*) as a subordinate organization to the CSR Committee. Every

- 1 We encouraged the establishment of compliance committees at our consolidated subsidiaries in Japan and the appointment of compliance officers at consolidated subsidiaries outside Japan in an effort to help them set up their own voluntary compliance promotion structures.
- 2 The Compliance Subcommittee compiled and reviewed cases of law violations within the Toyota Industries Group and measures taken to prevent recurrence every six months as well as promoted the sharing and horizontal dissemination of information among the Group companies as deemed necessary, providing support to raise the level of compliance across the Group.

\* As of March 31, 2012

### Organization for Promoting Compliance



year, the subcommittee formulates an action policy and conducts follow-up checks on its progress on a quarterly basis.

In fiscal 2012, we primarily focused on reorganizing the structure to promote compliance throughout the entire Toyota Industries Group.

### Formulation of Code of Conduct and Dissemination

Toyota Industries has formulated the Code of Conduct, which serves as conduct guidelines that should be observed by employees, and distributed a portable version to every employee.

Consolidated subsidiaries in and outside Japan

formulate and deliver to employees their own Code of Conduct matched to their respective business lines and corporate cultures. Toyota Industries' 29 consolidated subsidiaries in Japan and 54 consolidated subsidiaries outside Japan have already created their own Code of Conduct.



Code of Conduct for Raymond employees in North America

Portable Code of Conduct Handbook for employees in China (TIK, TACK)

### Thoroughly Informing Employees about Applicable Laws and Regulations

Toyota Industries provides compliance education to all levels of employees. This includes providing required legal knowledge to employees according to their job ranks or positions, familiarizing them with the emergency procedures that should be followed upon the occurrence of a problem and educating them on risk management. To new or young employees, in particular, we provide guidance on "what to do" and "what not to do" based on laws and corporate ethics, using our Code of Conduct as an instructional material.

In order to provide effective education, we devise various ways to actively engage employees. For example, lectures are interactive and participatory, featuring group discussions to deepen the level of understanding among participants. We also survey participants' needs (questions and concerns) beforehand and offer lectures in response to these needs, thereby raising the degree of usefulness and satisfaction of compliance education.

### Compliance Officers (outside Japan) and Compliance Committees (in Japan)



In fiscal 2012, we started providing education on the Antimonopoly Act of Japan to the sales executives of Toyota Material Handling Japan (TMHJ) dealers throughout the country. We plan to extend the scope to include consolidated subsidiaries outside Japan and offer detailed support for respective companies.

Furthermore, we designate a particular month as “Corporate Ethics Month” and give all employees an opportunity to think about compliance through workplace meetings.

As a means to disseminate information to consolidated subsidiaries, we regularly provide executive training in Japan and hold regional compliance officers meetings outside Japan. These are designed to make a timely response to any amendments to laws and regulations, share information on measures adopted to handle violations or issues and take the necessary action to prevent the recurrence of any problems.



Seminar on the Antimonopoly Act at a TMHJ dealer

Checking and Confirming Compliance

In order to confirm the status of compliance, we request internal departments and our consolidated subsidiaries in and outside Japan to perform a compliance self-assessment.

Toyota Industries’ subsidiaries answer a checklist comprised of 60 to 250 items defined for each of the applicable laws. If any of these items are found to be insufficient, each responsible department and respective subsidiaries work together to make improvements.

We also operate a compliance hotline that allows employees and their families to seek advice on compliance-related matters without being exposed to negative consequences, as well as to make adequate responses. This compliance hotline is cited in our Code of Conduct, and we regularly hand out a pamphlet to subsidiaries’ employees to inform them of the service.



Pamphlet regarding compliance hotline

Compliance Education Provided

Toyota Industries	Executive training	Conducted training for newly appointed executives and legal seminars for executives			Ongoing initiative
	Rank-based (clerical, technical)	Promoted training on quality, safety, the environment, labor, management of confidential information, export transactions, subcontracting and the Antimonopoly Act			Ongoing initiative
	Training by function	★11,600 employees participated	★9,200 employees participated	★8,200 employees participated	
Consolidated subsidiaries in Japan	Training for affiliated companies	Promoted group training via executive training seminars, subcontractor safe work training and public relation division training, and through visits to dealers			Ongoing initiative
		★2,000 employees participated	★1,400 employees participated	★1,800 employees participated	
		Conducted training on the Code of Conduct, safety, etc.			Ongoing initiative
		Not surveyed	Not surveyed	★11,700 employees participated	
		2010	2011	2012	2013 (FY)

Management of Confidential Information

Basic Perspective

Toyota Industries recognizes that the personal information of customers, employees and business partners as well as information concerning our technologies and sales activities are assets that need to be protected. Acting on this belief, we are making our utmost efforts to safeguard confidential information and strengthen its management as one of the CSR areas.

Implementation Structure

Toyota Industries has set up the Information Security Subcommittee (led by an executive in charge of general administration) as a subordinate organization to the CSR Committee to promote proper management of confidential information, taking appropriate actions against the leakage of the confidential information and complying with the Unfair Competition Prevention Act and the Personal Information Protection Law.

To thoroughly implement the initiatives adopted by the subcommittee, we appoint information security administrators\*1 and information security managers\*2 at each department. We strive to raise awareness about information security among their staff by holding workplace meetings and conducting self-checks regarding their information security practices.

Examples of such activities include requiring employees to obtain permission when taking their PCs off the premises, taking antitheft measures, restricting the copying of electronic data on recording media, monitoring email correspondences and regularly reviewing rules for management of confidential information.

In addition, we collaborate with other Toyota Group companies to carry out “All Toyota Confidentiality Management Month” activities in May and October. As part of this effort, we are working to discourage and monitor unauthorized carrying out of PCs and recording media.

Our consolidated subsidiaries in and outside Japan also appoint respective information security administrators\*1 and information security managers\*2. We also have formulated common guidelines concerning management of confidential information and follow up on their activities on a periodic basis.

\*1: Head of each department

\*2: A person within the department, appointed by the head



Poster to raise awareness for management of confidential information

Risk Management

Basic Perspective

Based on the Basic Policies for the Establishment of an Internal Control System, which was set up by the Board of Directors in May 2006 in compliance with the Corporation Law of Japan, Toyota Industries is working to strengthen regulations and a structure to promote risk management. Toyota Industries considers that the basics of risk management involve incorporating measures to prevent and reduce potential risks into daily routines, and ensuring quick and precise actions to minimize the impact on business and society when a risk becomes apparent.

Implementation Structure

Business divisions and other departments at the Head Office develop and promote annual action policies that integrate measures to prevent and control risks related to quality, safety, the environment, personnel, export transactions, disasters and information security. Progress is assessed and followed up by each functional management entity such as the CSR Committee and the Environmental Committee. The functional departments at the Head Office responsible for quality, safety and the environment define rules and procedures, conduct training and auditing of business operations and carry out on-site checks from a perspective of the entire Group, including consolidated subsidiaries, in an effort to support the risk management activities of business divisions and consolidated subsidiaries.

Our *Crisis Response Manual* provides specific examples of risks and lays out basic rules to follow when a risk becomes evident. This manual is distributed to executives and department heads of Toyota Industries as well as to those in managerial positions at consolidated subsidiaries as a means of facilitating risk management.



Crisis Response Manual

## Risk Management

### Response to a Possible Large-Scale Earthquake

Toyota Industries considers the occurrence of a major earthquake in Japan as one of the most significant risks. To ensure adequate Company-wide response when an earthquake occurs, we define disaster prevention measures in the three areas of pre-disaster mitigation, initial response to be taken immediately after the disaster and production recovery.

In addition, we focus our disaster prevention measures on the three basic policies of placing maximum priority on human life, placing top priority on the recovery of local communities and ensuring the quickest possible recovery.

In fiscal 2012, we fully reviewed our disaster prevention activities throughout the Toyota Industries Group following the catastrophic Great East Japan Earthquake. Specifically, in addition to standard evacuation drills we conducted emergency training based on the assumption that power failures and a tsunami have occurred and made greater efforts to raise awareness through a lecture by a disaster prevention consultant and various workshops.

### Implementation Structure

The Disaster and Fire Prevention Council devises overall policies while the Disaster Prevention Measures Promotion Council monitors progress. Specific measures are formulated and implemented by a working group consisting of members of the functional departments at the Head Office and representatives from each plant.

#### Structure for Promoting Disaster Prevention Measures



\* As of March 31, 2012

### Primary Measures for Disaster Prevention

#### 1 Pre-Disaster Mitigation Measures

Activities in this area primarily focus on disaster prevention measures concerning equipment and other devices to protect the lives of employees.

#### 1) Equipment

We developed quake resistance standards for equipment within plants and implemented measures to avoid turning over, falling and sudden sliding of equipment.

#### 2) Buildings

We created a prioritized list of buildings requiring anti-seismic treatment and have been carrying out reinforcement work.

#### 3) Prevention of Secondary Disasters

Through workshop activities, we identified latent risks of secondary disasters, such as fire, in each plant and conducted risk assessment and prioritization.



Workshop activity

#### 2 Initial Response

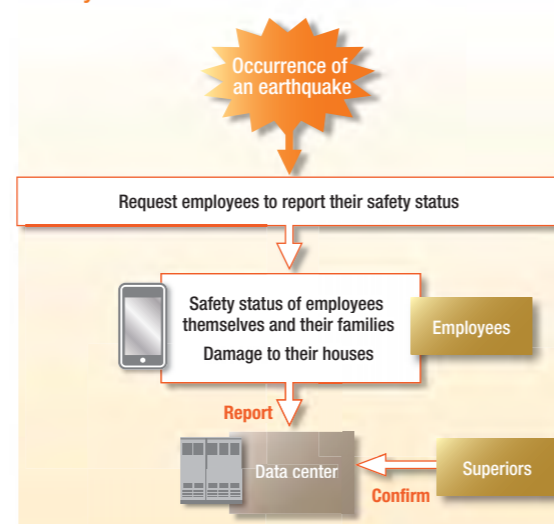
##### 1) Initial Response Procedures

Placing maximum priority on the protection of human life, we formulated and disseminated initial response procedures to be followed by employees immediately after a disaster.

##### 2) Safety Confirmation System

In July 2011, we started operating a safety confirmation system to account for employees and their families in case of an earthquake. When an earthquake with a magnitude of 5 or greater occurs, this system automatically sends email messages to employees' cell phones and other devices, to which employees send replies together with information on their safety status.

#### Safety Confirmation Process Flow



#### 3) Practical Disaster Drills

In addition to conventional disaster drills, we conducted evacuation drills assuming cases of power failures and a tsunami.



Evacuation drill in case of possible power failure



Employees evacuating to the second floor to avoid tsunami

#### 4) Strengthening Activities to Raise Awareness for Disaster Prevention

In July 2011, we invited a disaster prevention consultant to give a lecture on disaster prevention for the members of the Disaster and Fire Prevention Council, including executives. Through the lecture, participants reviewed the lessons learned from the Great East Japan Earthquake and reaffirmed what needs to be done.



Lecture on disaster prevention

#### 3 Production Recovery

To meet the expectations of society and customers in and outside Japan, Toyota Industries has been implementing measures to quickly restore production operations. Previously, such activities had been undertaken by individual business divisions. Starting from fiscal 2011, we have been enhancing function-based initiatives by setting up a Company-wide production recovery working group.

##### 1) Initiatives Related to Organization and Personnel Assignments

###### (1) Organization for Recovery

We reviewed our existing structure for production recovery and clearly defined the roles of each department. Anticipating emergency situations and a prolonged recovery period, we set up a structure in which two or more responsible persons are appointed at respective organizations in the Head Office and each business division.

###### (2) Personnel Responsible for Recovery Work

We have established a structure to quickly launch production recovery by preselecting leader candidates capable of directing recovery activities and making adequate responses at a place of disaster as well as recovery personnel having appropriate experience, knowledge and skills.

##### 2) Initiatives Related to Equipment

###### (1) Measures concerning Equipment

We identified processes and equipment that require a longer time to recover and prioritized our equipment recovery efforts. Based on the results, we will determine methods of recovery and clarify required materials and supplies.

##### 3) Initiatives Related to Parts Supplies, Logistics and Information

###### (1) Measures concerning Supply Chain

In order to respond swiftly and adequately to a disaster, we are currently compiling information on our supply chain. Using this information, we will identify potential risks and consider countermeasures in advance.

###### (2) Securing Logistics Routes

We will conduct surveys on the infrastructures around each plant and review the results to define safe logistics routes.

###### (3) Risk Avoidance regarding Production Information

In order to ensure the security of production-related information and information systems, we are applying anti-seismic reinforcements to the server rooms of our plants, strengthening information backups and storing these backups in remote locations.

##### 4) Initiatives Related to Procedures and Methods

###### (1) Response toward Production Bases outside Japan

In order to reduce the impact of a disaster occurring in Japan to our production bases outside Japan, we will identify parts supplied from Japan and the logistics lead times to build a structure that allows us to quickly respond to emergency situations.

###### (2) Formulation of Production Recovery Response Manual

We formulated the *Production Recovery Response Manual*, which incorporates what we have experienced and learned during the Great East Japan Earthquake, with the aim of facilitating swift production recovery throughout the Toyota Industries Group.



Production Recovery Response Manual

# Relationship with Our Customers

Based on a quality first approach, Toyota Industries strives to realize *monozukuri* (manufacturing) that quickly responds to the diverse, ever-changing needs of customers while ensuring the highest level of quality.

“A product should never be sold unless it has been carefully manufactured and has been tested thoroughly and satisfactorily.”

Carrying on the spirit of founder Sakichi Toyoda, Toyota Industries strongly believes that quality is the lifeblood of a company. Focusing on quality first and ensuring customer safety and reassurance are our most important responsibilities to our customers and form the basis of our CSR approach.

Toyota Industries strives to maintain and improve the total quality of our corporate activities, which encompasses “product quality,” “marketing quality” and “management quality.” “Product quality” is embodied in the safety, eco-friendliness, durability, ease of use and workmanship of our products, while “marketing quality” entails excellent sales and service in addition to these attributes and “management quality” further enhances our overall corporate image and brand strength in terms of all of these attributes.

## Types of Quality Sought by Toyota Industries



## Ensuring the Highest Quality

Placing top priority on our “Customer First” philosophy, Toyota Industries undertakes product development that meets customer expectations.

At Toyota Industries, development of a new product entails defining specific goals to incorporate quality in every stage from product planning and design to production preparation, production, sales and after-sales services. We perform a design review (DR), which allows a product to proceed to the next stage only when a responsible business division head examines and approves whether the product has reached the target quality level.

Should a defect occur after the product launch, the quality assurance departments of each business division immediately devise necessary measures. At the same time, a probable cause is identified from both the technical

and structural aspect, and if deemed necessary, the DR system itself is reviewed to prevent recurrence in subsequent models.

## Activities Based on the Quality Guidelines

Every year, we issue the Quality Guidelines, which identify priority quality implementation items to all production bases in and outside Japan. The progress made in implementing these guidelines is reviewed at the Quality Functional Meeting, which is chaired by the executive vice president in charge of quality control and attended by top management, and through *genchi genbutsu* (go and see for yourself) inspections that also cover affiliated companies. Issues raised through these activities are followed up at meetings of the Company-wide Council of Heads of Quality Assurance Departments chaired by a quality control department head.



Quality inspection by top management

In fiscal 2012, as part of activities to “reinforce quality assurance that also encompasses the supply chain,” which is stipulated as one of the priority items under the Quality Guidelines, we conducted a full review of quality audit methods of our business partners. Based on previous quality audit data, we defined evaluation items to ensure manufacturing quality and created a new Quality Audit Sheet with five levels of requirements for each item. This audit sheet allows quantification of the quality assurance efforts undertaken by 70 major business partners. In addition, it clarifies the target level, thereby enabling us to provide more precise quality improvement assistance to each company.

In fiscal 2013, Toyota Industries will steadily implement priority action items defined under the Quality Guidelines in and outside Japan, with the aim of improving the level of customer satisfaction.

# Relationship with Our Associates

Our ultimate goal is to create workplaces that give top priority to the safety and health of each associate and where diverse human resources can exercise their potentials and play active roles.

## Building a Safety-Oriented Culture that Aims for Zero Industrial Accidents

In accordance with our fundamental policy of “creating people capable of autonomously maintaining occupational safety and health,” Toyota Industries strives to prevent industrial accidents and occupational disorders as well as realize better work environments.

In fiscal 2012, we carried out activities under the following three principal policies.

### 1 Create a Foundation for Realizing a Safety-Oriented Culture

As part of associate safety education, we further enhanced and upgraded our safety *dojo* in each plant and conducted training on basic procedures for safe operations.

### 2 Promote Risk Assessment Activities

Risk assessment activities allow us to identify risks within work processes and let operators gain a better understanding of these risks. Toyota Industries recognizes risk assessment efforts as one of the most important measures against industrial accidents. To enhance these activities, we have reviewed and organized issues in our current risk assessment system. For equipment already installed in our plants, we reorganized the specific structure to raise safety awareness among operators and reduce risks by identifying risks more precisely.

### 3 Promote Fundamental Safety

As a means of promoting fundamental safety, we have been introducing risk assessment into the production preparation phase when we establish new facilities. We have also revised the standards regarding machinery and equipment, which are used when we fabricate equipment, according to the administrative instructions concerning industrial safety and health and other foreign standards. In addition, we formulated facility standards to prevent equipment-induced fires.

## Assisting Consolidated Subsidiaries in Achieving Even Higher Safety and Health Levels

We have been working with the relevant departments to build a system that facilitates stronger and closer relationships with our consolidated subsidiaries in Japan.

More specifically, we provide executive training, conduct *genchi genbutsu* inspections and offer guidance to help subsidiaries achieve higher safety and health levels.

For our consolidated subsidiaries outside Japan, we promote the sharing of such information as industrial accidents, suggest measures to prevent similar accidents, implement cross-deployment of safety *dojos* and provide guidance through *genchi genbutsu* and activity support.



Safety and health inspection at a consolidated subsidiary in Japan

## Initiatives for Health Management and Improvement

As a task for the medium term, we are promoting associate health improvement programs to counter risks associated with aging and greater stress.

Specifically, we proactively provide health guidance to prevent lifestyle diseases for persons with metabolic syndrome and actively encourage follow-up after annual health checkups. We also conduct periodic age-based health education for all associates to maintain and promote their health and wellness.

Mental health care activities include providing self-care/line-care education and building closer collaboration with external medical institutions. We have also successfully worked to prevent relapses by launching a return-to-work support program for persons on long-term leave and conducting a survey on workplace stress levels.



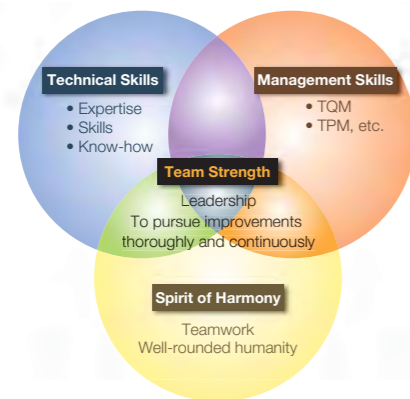
Health guidance for prevention of lifestyle diseases



Physical fitness measurement conducted during age-based health education

## Enhancing Team Strength

Toyota Industries believes that enhancing team strength is vital to forming a dynamic workforce and achieving sustainable corporate growth.



We believe that team strength is made up of “technical skills” that form the basis of manufacturing operations, “management skills” to make maximum use of technical skills and “spirit of harmony” that supports both. While further enhancing our team strength, we are striving to extend and hand it down beyond all business domains, generations and geographic regions.

### Technical Skills

We are currently working to enhance the skills of our technical staff primarily by providing training programs at the Technical Learning Center. At the 49th National Skills Competition held in December 2011, the team of Hiroshi Himeno and Ryo Yamamura won a gold medal in the “mechatronics” category. We also won medals in the five categories of “electrical welding,” “structural ironsmith,” “mechanical engineering design—CAD,” “lathe” and “mechanical device control.”

### Management Skills

A training program is provided for all administrative staff and engineers to increase their problem-solving capability. In addition to launching this training program at business bases outside Japan, we invite human resources administrators from overseas business bases for a Global Human Resources Conference with the aim of sharing the way we work, our perspectives and our values throughout the Toyota Industries Group.

We also accept local staff of business bases outside Japan as seconded staff to facilitate the international exchange of human resources.



Global Human Resources Conference

## Spirit of Harmony

Toyota Industries is creating a bright, energetic and caring work environment that fosters a dynamic workforce and allows every member to demonstrate his or her capabilities both as an individual and as a team. Throughout the world, we are proactively encouraging communication not only during work hours but also through social gatherings, sports days, summer festivals, Group-wide *ekiden* long-distance relay races and cheer squads for various sports events.

## Establishing Work Environments Where Diverse Human Resources Can Play Active Roles

We are implementing a variety of measures to create work environments where a diverse range of human resources can fully exercise their capabilities. These measures include supporting a balance between work and child/nursing care, supporting the employment of persons with disabilities and enhancing a re-employment system for associates who reach the mandatory retirement age.

### Balance between Work and Child/Nursing Care

We have already rolled out several initiatives to help our associates balance their work and family. For example, we regularly hold exchange meetings to share information concerning work-life balance and increase awareness among associates. In fiscal 2012, we enhanced the system for leave to allow parental care of children with illnesses as well as the system for nursing care leave.



Diversity Navi exchange meeting

### Employment of Persons with Disabilities

We respect the idea of people with and without disabilities working together and sharing life and work values. Under this basic policy, we continue to employ persons with disabilities every year. They are assigned to a variety of sections and work with other staff members to perform their designated tasks. In fiscal 2012, the number and ratio of associates with disabilities on a non-consolidated basis were 194 and 2.03%, respectively.

### Re-Employment of Retirees

We have established a system to rehire staff of retirement age, offering them an opportunity to make the best use of their advanced expertise and skills in carrying out business operations. We have also been making Company-wide efforts to set up a comfortable working environment for older associates.

# Relationship with Our Business Partners

Toyota Industries encourages open procurement and seeks co-existence and co-prosperity with our business partners based on mutual trust. We also facilitate environmentally preferable purchasing and CSR-oriented purchasing practices.

## Fair Competition Based on an Open Door Policy

We have a fair entry process that allows all potential business partners, regardless of nationality, size and experience, the same opportunity to offer us their products or services through our Website to achieve broad and open procurement.

We comprehensively evaluate our business partners based on quality, price, their adherence to delivery times, technological capabilities and company stability. We also assess their initiatives for safety, the environment and compliance as we strive for the timely and stable procurement of excellent products at lower costs based on fair business transactions.

For business partners seeking advice on matters concerning subcontract transactions, persons who are not directly involved in such transactions serve as a point of contact and offer assistance from a third-party position.

## Co-Existence and Co-Prosperity Based on Mutual Trust

We work hard to realize co-existence and co-prosperity with our business partners based on mutual trust. We hold annual procurement policy meetings and executive training for major business partners to gain their understanding and cooperation. In order to consistently procure better products, we also conduct quality and technical skills training programs and provide guidance directed toward improving manufacturing processes at business partners' production sites along with safety and health education.

### Participants in Training and Guidance Sessions

Description	Total Number of Participants to Date
Quality and technical skills training	288 persons
Support on process improvement	51 companies
Qualification education in safety and health and other areas	709 persons

## Reducing Environmental Impact through Environmentally Preferable Purchasing

In order to create environmentally friendly products, we aim to procure parts, materials and equipment from business partners that give sufficient consideration to the environment. Based on our Environmentally Preferable Purchasing Guidelines, we require our business partners to establish an environmental management system. Particularly for parts and raw materials, we make it a rule for business partners to acquire external certification of their environmental management systems such as ISO 14001.

In addition, we have specified substances of concern that are prohibited for use in our products or manufacturing processes, and requested our business partners to prevent the target substances from being mixed into their products and establish a management structure. Our procurement system also requires them to submit in advance a non-use declaration of prohibited substances as well as data on substances of concern. Only after confirmation is carried out do we purchase these parts.

## Localization of Business for Good Corporate Citizenship

In view of increased local production outside Japan, we promote procurement from local business partners in order to contribute to the local community.

## Further Promoting CSR

We provide education internally to all relevant persons for the purpose of strictly complying with the competition laws of each country and to maintain fair business transactions. In fiscal 2012, a total of 734 people attended. It is also Toyota Industries' and our business partners' policy to strictly abide by both the letter and spirit of laws and regulations while also carefully handling and protecting confidential corporate information of our business partners and Toyota Industries.

We have developed the CSR Guidelines for Business Partners, which describe our CSR-related requirements for our business partners in Japan, and encourage them to engage in CSR activities. We also provide our major business partners with tools and relevant information to support their respective CSR activities and require periodic self-inspections to be conducted.

We will continue to promote activities around the world to comply with CSR throughout our supply chain.



Meeting on CSR Guidelines for Business Partners

# Relationship with Our Shareholders and Investors

We aim to obtain an appropriate company valuation in stock markets through timely and appropriate information disclosure while promoting good communications with shareholders and investors.

## Basic Perspective

Toyota Industries continually carries out timely and appropriate information disclosure for shareholders and investors. In this way, we raise management transparency so that we obtain an appropriate company valuation in stock markets. We provide not only information required under disclosure laws and regulations but also information that fosters a better understanding of our management policy and business activities. Also, we strive to promote communications with shareholders and investors and feed back their comments to executives and relevant business divisions to reflect them in our business activities.

## General Shareholders' Meeting

We hold our annual general shareholders' meeting early to avoid the date on which many companies hold their respective shareholders' meetings so that more shareholders can attend.

We held our 133rd General Shareholders' Meeting on June 16, 2011, in which 320 shareholders participated. For the purpose of fostering a better understanding of our business activities, we invited our shareholders for a plant tour following the general shareholders' meeting.

## Investor Relations Activities

For institutional investors and securities analysts, our management conducts briefing sessions to explain our quarterly financial results. We also hold small and individual meetings on an as-needed basis. During fiscal 2012, we provided briefings primarily on such topics as the impact of the Great East Japan Earthquake as well as our Vision 2020 and the Medium-Term Management Plan announced in October 2011.

Additionally, the Toyota Industries Website features an Investor Relations page for prompt information disclosure. We use RSS feeds (in Japanese) to provide the latest information in a timely manner.



Briefing on financial results for fiscal 2012 by the president (May 8, 2012)

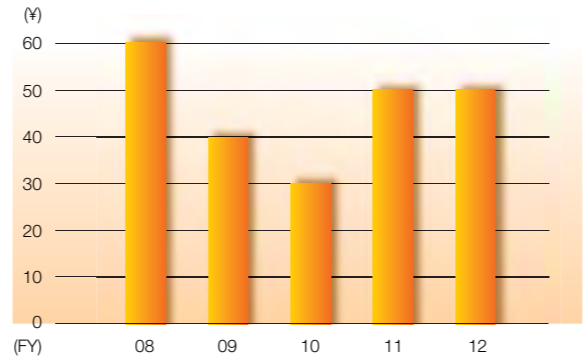


Meeting with institutional investors

## Dividend Policy

Toyota Industries regards returning profits to shareholders as one of the most important management policies. Accordingly, we strive to continue paying dividends and meet the expectations of shareholders upon taking into consideration such factors as business results, demand for funds and the payout ratio. For fiscal 2012, Toyota Industries paid annual cash dividends per share of ¥50.0 (interim cash dividend per share of ¥25.0 and year-end cash dividend per share of ¥25.0).

Cash Dividends per Share (Annual)



# Relationship with Our Local Communities

With a view toward engendering trust as a good corporate citizen, we actively undertake social contribution activities in countries and regions where we do business.

## Policy on Social Contribution Activities

While striving to achieve sustainable growth as a company, we work to fulfill our role as a good corporate citizen and actively undertake social contribution activities in every community where we do business in our efforts to help realize a prosperous and healthy society.

To accomplish this, Toyota Industries proactively offers cooperation and support with the objective of contributing to local communities by providing human resources, facilities, funds and know-how. Each of our employees also strives to contribute to society through such means as volunteer activities.

## Structure for Promoting Social Contribution Activities

The CSR Committee deliberates on policies of our social contribution activities while the Social Contribution Group within the General Administration Department at the Head Office takes the initiative in carrying out activities.

## Three Pillars of Our Social Contribution Activities

Toyota Industries is committed to building a close relationship with every local community in which we operate, placing particular emphasis on youth development, environmental protection/nature conservation and social welfare.

### Youth Development

With the aim of providing opportunities for youth to learn the joy of *monozukuri* (manufacturing) and the meaning of work through actual experiences, we hold events jointly with Youth Invention Clubs, host work experience activities and conduct environmental education.

### Environmental Protection/Nature Conservation

As a member of the local community, we carry out a range of environment-related activities, including promoting the use of wood thinned from forests in Japan and conserving forests through employee volunteer programs, to contribute to the development of a sustainable society.

### Social Welfare

To help develop local communities where everyone enjoys an active life, we hold various social welfare events to encourage exchange with persons with disabilities and conduct joint fund-raising programs with our consolidated subsidiaries in Japan.

## Activity Examples (in Japan)

### Forest Conservation Activity

As part of its social contribution activities, the Toyota Industries Team Leader Association\* has been taking part in the forest conservation project of the Aichi Kaisho-no-Mori Center. Under the "TICO Ecocoro Tree Thinning Activity," members of the association have been carrying out tree thinning at *Kaisho-no-Mori* (Kaisho Forest) in Seto-shi, Aichi Prefecture, with a plan to cover an area of 6,000 square meters by November 2012. In addition to tree thinning, they also participate in a nature walk and a study session to learn the necessity of tree thinning and importance of cultivating a healthy forest, thereby gaining a better understanding of nature conservation.

\* An autonomous Company-wide organization consisting of approximately 1,700 young leaders at manufacturing sites, the organization carries out cleanup and other volunteer activities and promotes interchanges for self-development.



Tree thinning activities

### Support Activities for Children's Home

In fiscal 2012, Shine's Co., Ltd., a subsidiary managing and operating employee clubs, started providing support for children at Kaze-no-Iro children's home in Higashiura-cho, Chita-gun, Aichi Prefecture. On the day of *Setsubun*, which marks the beginning of spring, employees of Shine's delivered rolled sushi (food to bring good luck associated with *Setsubun*) and enjoyed a traditional bean-throwing event with children to drive bad luck out and bring good luck in. At Christmas, employee volunteers brought Christmas cakes to the children. Through these activities, we hope to contribute to the sound and healthy growth of children.



Setsubun bean-throwing event

## Activity Examples (outside Japan)

### – India – Support for Youth Sports Activities

Kirloskar Toyoda Textile Machinery Pvt. Ltd. (KTTM), a subsidiary producing automotive parts and textile machinery, supports youth sports activities by donating trophies and medals to an annual sports event at a local elementary school. KTTM also donated uniforms to a local high school Kabaddi\* team.

\* National sport of India



Awards ceremony at sports event

### – Germany – Supporting Employee Participation in Local Sports Activities

In an effort to strengthen its ties with the local community, TD Deutsche Klimakompressor GmbH (TDDK), a subsidiary producing car air-conditioning compressors, encourages its employees to participate in local sports events by paying participation fees and providing team uniforms. A TDDK team that also included a Japanese employee participated in a local table tennis tournament held in January 2012. The event provided a good opportunity to promote international exchange through sports activities.



Local table tennis tournament participants

### – Sweden – Plant Tour

Toyota Material Handling Europe AB (TMHE), the European headquarters for the materials handling equipment business, hosted a plant tour in October 2011, inviting employees' families, friends, local residents and students. In addition to a plant tour, this event showcased TMHE's product lineup and provided a game-based lecture on the Toyota Production System (TPS), thereby providing an opportunity to gain a deeper understanding of TMHE's business activities.



Children taking a close look at lift trucks

### – U.S.A. – Charity Drive for Cancer Research

At Michigan Automotive Compressor, Inc. (MACI), a subsidiary producing car air-conditioning compressors, a team of employees joined the Relay for Life, an overnight charity walk event to celebrate the courage to fight against cancer and a passion for life among cancer patients and their families, friends and supporters. The team, which also engages in fund-raising activities for cancer research, donated annual proceeds of roughly US\$3,000 from bake sales and auctions to the American Cancer Society.



MACI employees who joined the Relay for Life event

## Toyota Industries Report

# 2012

## Environmental Initiatives

An Interview with the Chief Environmental Administrator	p 58–61
Vision for Environmental Activities	p 62
Structure to Implement Environmental Management	p 63
Fifth Environmental Action Plan	p 64–65
Establishing a Low-Carbon Emission Society	p 66–67
Establishing a Recycling-Based Society	p 68
Reducing Environmental Risk and Establishing a Society in Harmony with Nature	p 69
Environmental Management	p 70–71
Environmental Impact Flow and Environmental Accounting	p 72



Senior Managing Director\* Masafumi Kato

—Our Future Energy Management—

## Aiming to Build a “Smart Factory”

The shutting down of nuclear power plants following the Great East Japan Earthquake on March 11, 2011 marked a significant turning point in Japan’s national energy strategy. Reflecting these circumstances, energy management has become an increasingly critical management issue for companies. We asked Masafumi Kato, Senior Managing Director and chief environmental administrator\*, about Toyota Industries’ future approach to energy management.

\* As of March 31, 2012

### Feature

A co-generation system simultaneously produces electricity and heat from natural gas and other fuel sources. With the capability to effectively reuse the hot exhaust gas that is disposed of as waste heat in conventional power generation processes, co-generation is considered as one promising option for Toyota Industries’ future energy strategy.



Exterior of co-generation facility (Kariya Plant, Aichi Prefecture)

### Looking Back on Initiatives in Fiscal 2012

**Q** The nuclear power plant outage following the massive earthquake resulted in a tight power supply in Japan. In the Chubu region where Toyota Industries’ plants are located, power savings also became an urgent task as the nuclear reactors at the Hamaoka nuclear power plant were temporarily shut down. How do you sum up the initiatives undertaken during this period?

**Kato:** Toyota Industries consumes a considerable amount of energy in its business activities, and we naturally regarded the task of saving power as a key responsibility. In fiscal 2012, we defined a target of reducing our peak electricity consumption by 5% year-on-year and made Company-wide efforts to save power. We needed to do everything we could.

Firstly, we introduced weekend shifts along with other companies in the entire automobile industry. We then implemented a broad range of power-saving measures at our plants and offices. All employees made concerted efforts to successfully achieve targets and fulfill our responsibility to society.

**Q** Do you feel employees’ energy consciousness has changed through these initiatives undertaken during fiscal 2012?

**Kato:** Yes, it has. But from now on, we must do more than just saving electricity. We need to redefine our energy strategy itself. Before the earthquake, we had focused on the kind of electrification beneficial in terms of both costs and CO<sub>2</sub> emissions factor for electricity\*. After the earthquake, we began to reconsider a more flexible energy management system that does not rely on a single energy source.

\* Amount of CO<sub>2</sub> emitted to generate a unit of electricity

### Future Energy Strategy

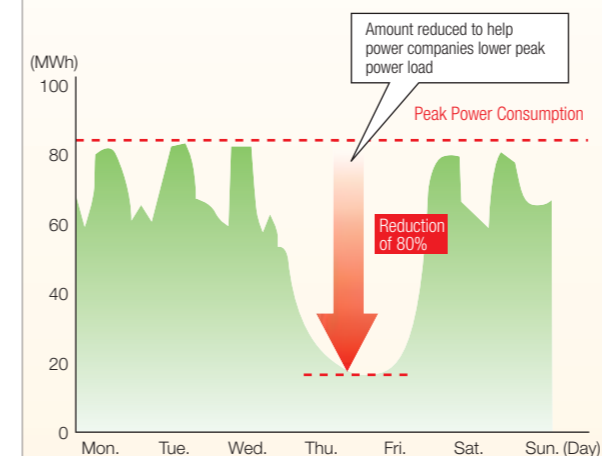
**Q** What energy strategy is Toyota Industries considering for the future?

**Kato:** In the future, we must manage energy wisely. That is, we must wisely generate, wisely use and wisely store energy. Construction of a “smart factory,” which applies this way of thinking to energy management at plants, is something we should pursue. This entails building a

### Examples of Our Power-Saving Efforts

#### Power Saving through the Introduction of Weekend Shifts

During the summer of 2011, the entire auto industry in Japan worked Saturdays and Sundays and took Thursdays and Fridays off in order to save electricity and help power companies reduce peak power load.



#### Preparation for Power-Saving Request under Emergency Supply-Demand Adjustment Contract with CHUBU Electric Power Co., Inc.

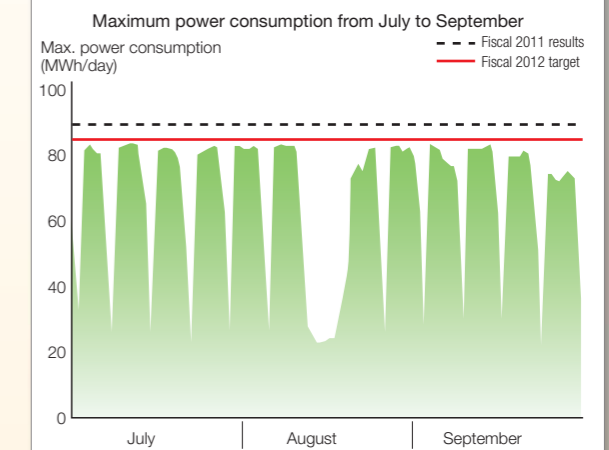
- Created a prioritized list of equipment to shut down when a power-saving request is made from the power company in case of tight supply, and developed standardized shutdown procedures.
- Conducted training on equipment shutdown using the standardized procedures to ensure power is saved as requested.

#### Power-Saving Efforts at Offices

- Simultaneous use of air conditioners and electric fans
- Growing climbing plants to cover building walls
- Application of heat-blocking measures to windows
- Extension of the “Cool Biz” period (allowing employees to dress lightly during summer)

#### Results

Achieved a 5% reduction in peak power consumption (vs FY2011 level)



mechanism to efficiently and alternately supply renewable energy and energy produced by a highly efficient power generation system in accordance with varying levels of demand within a plant.

**Q** What specific steps should be taken?

**Kato:** The first step is to wisely generate energy. At Toyota Industries, this will involve the use of co-generation systems, renewable energy sources and biomass. We will begin with expanding the use of co-generation systems.

In our previous efforts to promote electrification, we had a plan to eventually reduce the use of co-generation systems, as these offered less advantage in lowering CO<sub>2</sub> emissions. Following the turning point, however, we conducted an assessment from a more comprehensive viewpoint, covering such areas as less CO<sub>2</sub> emissions, reduction of peak power consumption, energy savings and disaster prevention (use as an emergency power source). The results revealed that co-generation systems do provide sufficient advantages, and we have made a drastic shift in our energy policy.

Co-generation systems also offer excellent energy efficiency because we can use these systems when necessary and utilize their waste heat to produce steam and hot water.

Nevertheless, I believe that the use of renewable energy sources will be the key enabler for our approach to wisely generating energy.

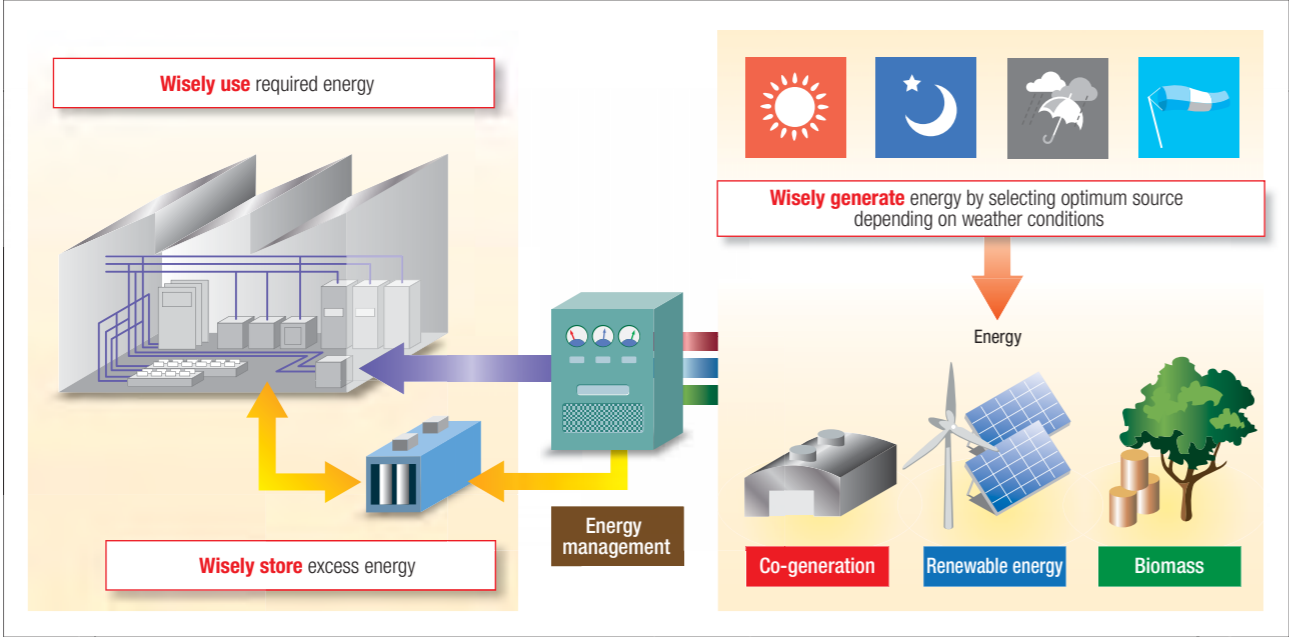
Keeping pace with the general trend toward the increased use of renewable energy, we will introduce and expand the use of solar and wind power as important energy sources while paying close attention to technological developments.

We are also switching from fossil fuels to biomass fuels. As part of this effort, we started using biocoke, a solid biomass fuel, in fiscal 2012. (See page 66 for more details.)

In addition, we are also keeping our eyes on the development of a new energy generated by using waste heat.



Envisioned Image of “Smart Factory”



**Q** How will Toyota Industries wisely use the resulting energy?

**Kato:** Changes in energy supply sources will likely entail more complex energy management at plants. For instance, renewable energy is weather dependent, whereby the supply amount fluctuates with changes in weather conditions. Also, an optimum supply source may vary depending on where power is used within a plant. Wisely using energy means to find an optimum combination of energy sources and maximize the advantages of each.

Currently, on-site supervisors determine how we use energy based on the production status and other factors. An increase in available energy options entails more complex management, and manual control is limited in achieving reductions in CO<sub>2</sub> emissions and costs. It is imperative that we set up a system to totally manage energy use in each facility.

Wisely using energy is possible when we build a system that can save energy by automatically selecting the optimum energy source based on weather conditions, production status and other input data.

**Q** To use electricity when necessary, it will be important to wisely store electricity.

**Kato:** Yes. The word “storing” reminds us of electricity storage technology. But fuel cells, which are capable of generating electricity anywhere, can also be regarded as an effective means to wisely storing energy. We have been conducting a feasibility test of fuel-cell lift trucks with an eye to using them as another source of electricity.

By combining technologies to wisely generate, wisely use and wisely store energy, we will work to build an optimum energy management system and realize a “smart factory.”



Light duct and light control system (Takahama Plant, Aichi Prefecture)



Fuel-cell lift truck



Solar power generation and wind power generation (Technical Learning Center, Aichi Prefecture)



Solar power generation (Toyota Industries Global Learning Center, Aichi Prefecture)



Solar power generation (TD Deutsche Klimakompressor GmbH\*, Germany)  
\* A subsidiary producing car air-conditioning compressors.

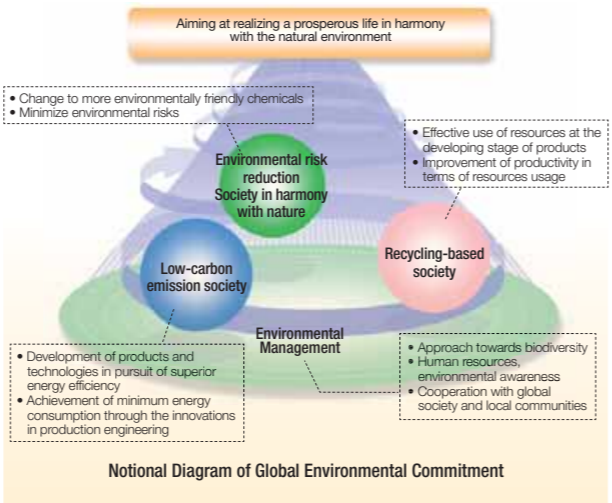
# Vision for Environmental Activities

Toyota Industries works with consolidated subsidiaries in and outside Japan to promote environmental activities on a global scale. We aim to realize a prosperous life in harmony with the natural environment through the establishment of a sustainable society.

## Global Environmental Commitment

As one tenet under our Basic Philosophy, Toyota Industries works to contribute to regional living conditions and social prosperity and also strives to offer products and services that are clean, safe and of high quality. Accordingly, we established the Global Environmental Commitment, a specific environmental action guideline, to be shared and implemented throughout the Toyota Industries Group.

We will dedicate Group-wide efforts to realizing a prosperous life in harmony with the natural environment by carrying out activities aimed at “establishing a low-carbon emission society,” “establishing a recycling-based society” and “reducing environmental risk and establishing a society in harmony with nature” as our way of “promoting environmental management.”



## Working toward “CO<sub>2</sub> Cancel”

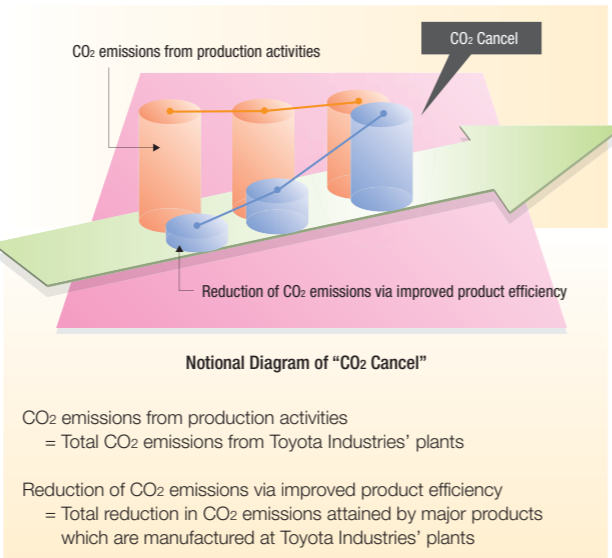
“CO<sub>2</sub> Cancel” is Toyota Industries’ original concept that aims to offset CO<sub>2</sub> emissions from production activities at plants by reducing CO<sub>2</sub> emissions via improved product efficiency and other means. We have adopted this approach as a new environmental target under the Fifth Environmental Action Plan that covers the period from fiscal 2012 to fiscal 2016.

### Establishment of Original Standards

In fiscal 2012, we developed an original approach to apply to products with different features to calculate CO<sub>2</sub> reduction volume for each product.

### Future Activities

The shutting down of nuclear power plants is likely to induce a change in the CO<sub>2</sub> emission factor for electricity and a considerable fluctuation in production volume in Japan as we shift production operations to overseas bases. From fiscal 2013 onward, we will clarify our target of when to accomplish “CO<sub>2</sub> Cancel” based on these changes and promote activities accordingly.



### Steps to Accomplishing “CO<sub>2</sub> Cancel”

- 1 Establish parameters to calculate CO<sub>2</sub> reduction volume for each product
- 2 Provide an estimate of when to accomplish “CO<sub>2</sub> Cancel” based on the results of preliminary calculations
- 3 Specify targets (including when to accomplish “CO<sub>2</sub> Cancel”)
- 4 Promote activities to achieve these targets
- 5 Achieve these targets
- 6 Define higher targets (e.g., “CO<sub>2</sub> Double Cancel”)

# Structure to Implement Environmental Management

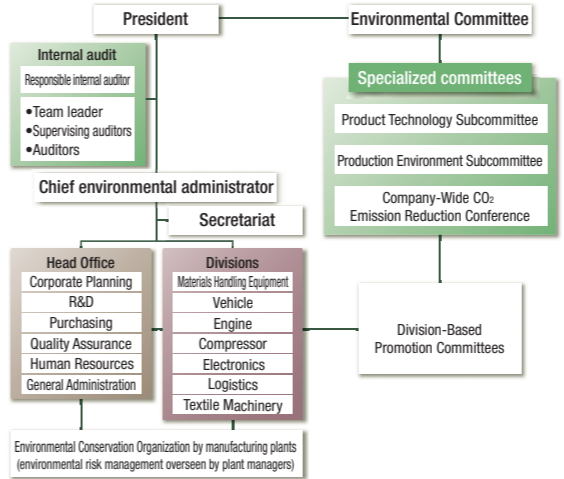
Positioning environmental response as one of its most crucial management issues, Toyota Industries is enhancing its environmental governance through the promotion of consolidated environmental management.

## Status of Our Environmental Management System

Toyota Industries has positioned environmental response as one of its most crucial management issues. To quickly reflect top management’s decisions on business operations, Toyota Industries has established and been operating a Company-wide integrated environmental management system (EMS), with the president at the top.

We have also assigned the positions of responsible internal auditor and chief environmental administrator, two key roles in our EMS, to executives, in an effort to strengthen governance from an environmental perspective.

### Environmental Management Structure



## Environmental Audits

Toyota Industries implements annual internal environmental audits as well as external audits carried out by an independent third-party institute.

The external audit conducted in fiscal 2012 revealed seven non-conformances. We have already completed measures to correct them and disseminated the relevant information to other plants to prevent recurrence.

As for internal audits, we were able to reduce the average number of non-conformances per department from 0.86 in fiscal 2011 to 0.77. To improve the quality of internal audits, we are undertaking efforts to develop the capabilities of auditors by conducting education programs such as introductory courses for environmental management and environmental audits. As a result, the number of internal auditors increased to 110 as of March 31, 2012.

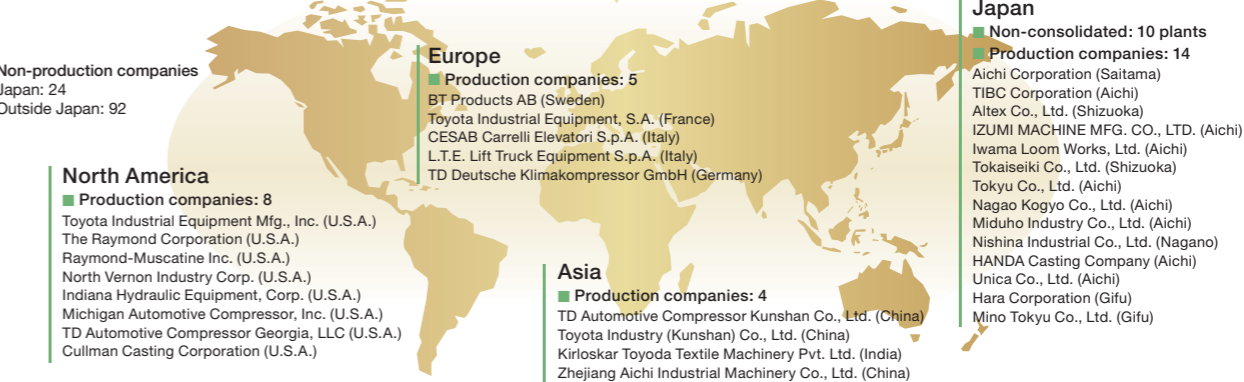
## Human Resources Development

As one task under the Global Environmental Commitment, our basic policy concerning environmental activities, we have been undertaking efforts to foster the development of environmental specialists who can think and act on their own for the environment. In doing so, we have clarified the environment-related knowledge and skills required for each job category and rank, and accordingly, built an environmental education program.

We designate every June as Environment Month and engage in various activities, such as holding environmental events and running articles on environment-related topics in our in-house newsletters to raise environmental awareness among employees as well as their families.

### Scope of Group-Wide Environmental Management

(As of March 31, 2012)



# Fifth Environmental Action Plan

Under the Fifth Environmental Action Plan (fiscal 2012 – fiscal 2016), we will strive to upgrade our environmental management and actively promote initiatives to achieve fiscal 2013 targets.

## Progress in the Fifth Environmental Action Plan

With an eye to realizing a prosperous life in harmony with the natural environment through the establishment of a sustainable society, we have devised the Fifth Environmental Action Plan for the period from fiscal 2012 to fiscal 2016, promoting activities according to the plan.

In fiscal 2012, which marked the first year of our five-year plan, we were able to exceed targets for fiscal 2013.

In fiscal 2013, we will start defining even higher targets for fiscal 2016 with a view toward further reducing environmental impact while working to attain the targets for fiscal 2013.

### Establishing a Low-Carbon Emission Society

Segments	Action Policies/Specific Actions	FY2013 Targets					FY2012 Achievements	
		Subject	Scope	Control Items	Base Year (FY)	Targets	Achievements	Page
Products	Reduce CO <sub>2</sub> emissions by 10%*1 from major products to be developed during the period covered by the Fifth Plan	*2					<Automobile-Related Business> •Developed highly efficient variable-displacement compressor •Developed highly efficient electric compressor •Developed the world's largest*3 panoramic roof made of plastic glazing  <Materials Handling Equipment Business> •Developed energy-efficient electric lift truck  <Textile Machinery Business> •Developed energy-efficient, resource-saving electronic shedding device for air-jet looms	P66/67
	In the Automobile-Related Business, promote electrification and develop technologies and products that will contribute to reduction of CO <sub>2</sub> emissions •Develop technologies to respond to electrification of vehicles •Improve energy efficiency of car air conditioners •Develop technologies to enable weight reduction							
	In the Materials Handling Equipment Business, develop technologies and products that will contribute to reduction of CO <sub>2</sub> emissions •Reduce energy loss in electric-powered lift trucks							
	In the Textile Machinery Business, develop technologies and products that will contribute to reduction of CO <sub>2</sub> emissions •Reduce energy loss							
Production	Promote energy reduction and energy conservation through innovative production technologies •Promote visualization of energy loss •Further promote Company-wide reduction activities and accelerate thorough, horizontal deployment •Develop innovative technologies to reduce CO <sub>2</sub> emissions	CO <sub>2</sub> emissions •Energy-derived CO <sub>2</sub> •5 gases*4 •CO <sub>2</sub> from logistics	Non-consolidated	Total emissions	1991	-10% (FY09-13 average)	-17%	
	Global		Eco-efficiency*5	2006	1.15	1.27		
					Non-consolidated	1.32	1.43	
					Consolidated subsidiaries in Japan	1.02	1.11	
					Consolidated subsidiaries outside Japan	1.05	1.22	
Promoting measures to curb global warming •Promote horizontal deployment of technologies to curb global warming								
Logistics	Reduce CO <sub>2</sub> emissions through green logistics •Promote modal shift •Reduce the number of transportation vehicles by promoting mixed transport among business divisions	CO <sub>2</sub> from logistics	Non-consolidated	Total emissions	1991	-15%	-37%	
	Eco-efficiency			2007	1.06	1.24		

### Establishing a Recycling-Based Society

Segments	Action Policies/Specific Actions	FY2013 Targets					FY2012 Achievements	
		Subject	Scope	Control Items	Base Year (FY)	Targets	Achievements	Page
Products	Implement initiatives to promote 3R (reduce, reuse and recycle) design for effective resource utilization •Reduce use of resources through weight and size reductions	*2					•Developed resource-saving DC-DC converter •Developed energy-efficient, resource-saving electronic shedding device for air-jet looms	P68
Production	Enhance resource productivity •Reduce use of timber-derived packaging materials •Reduce the volume of discarded materials by taking action at the source, such as improving yields and other measures •Promote internal reuse	Packaging material volume	Non-consolidated	Eco-efficiency	2007	1.06	4.10	
		Waste generation volume	In Japan	Eco-efficiency	2006	1.13	1.61	
			Non-consolidated			1.12	1.20	
			Consolidated subsidiaries			1.16	2.54	

### Reducing Environmental Risk and Establishing a Society in Harmony with Nature

Segments	Action Policies/Specific Actions	FY2013 Targets					FY2012 Achievements	
		Subject	Scope	Control Items	Base Year (FY)	Targets	Achievements	Page
Products	Reduce emissions to improve air quality in urban areas in all countries and regions •Develop engines that meet future regulations  Manage chemical substances contained in products •Investigate chemical substances contained in products and manage switching over of SVHC*6 and other substances of concern to other substances	*2					•Developed diesel engines with low emissions  •Held training seminars for business partners for creating substances of concern database	P69
Production	Further reduce emissions of substances of concern •Reduce emissions of substances of concern mainly from painting processes  Minimize environmental risks •Expand the use of a preliminary review system •Reduce risks related to wastewater •Enhance risk communication with relevant organizations and local residents	VOC*7 emission	Non-consolidated (automobile body)	Emission volume per unit of sales	–	24 (g/m <sup>2</sup> )	25 (g/m <sup>2</sup> )	

### Promoting Environmental Management

Segments	Action Policies/Specific Actions	FY2013 Targets					FY2012 Achievements	
		Subject	Scope	Control Items	Base Year (FY)	Targets	Achievements	Page
General	Reinforce CO <sub>2</sub> reduction activities for “CO <sub>2</sub> Cancel” •Further reduce CO <sub>2</sub> emitted from production activities in plants •Reduce CO <sub>2</sub> emissions by achieving improved efficiency in newly developed products Aim to cancel out CO <sub>2</sub> emissions of Toyota Industries through these two activities	*8					•Duly considered the definition of “CO <sub>2</sub> Cancel” and established the parameters to calculate CO <sub>2</sub> reduction volume	P62
	Augment and promote consolidated environmental management •Build a global environmental management system and promote related activities to: – Comply with environment-related laws and reduce environmental risks in each country – Achieve the highest-level performance in each country						•Held meeting for consolidated subsidiaries in Japan •Disseminated information regarding plant-related laws and regulations •Confirmed compliance through check sheets	P63
	Enhance and promote environmental education and enlightenment activities •Develop environmental specialists to lead internal environment-related activities						•Held lecture on the environment •Introduced internal eco-point system	P70/71
	Improve eco-conscious brand image •Reinforce environmental activities according to the contents and results of Survey of Environmental Oriented Management Index to pursue higher brand image						•Won the best award at the Aichi Green Curtain Contest for wall greening activities •Introduced super environmentally friendly products on website	
	Augment activities related to protection of biodiversity •Identify the impact of business activities on biodiversity and reinforce initiatives by defining specific goals						•Promoted plan for establishing a biotope	
	Promote sustainable plant activities •Build a plant environment in harmony with nature by promoting energy reduction and energy conservation through innovative production engineering, by reducing energy loss and by using renewable energy and other means						•Formulated mid- to long-term energy strategies	

\*1: Target products Toyota Industries develops and produces. The CO<sub>2</sub> reduction volume is calculated based on the method Toyota Industries determined using FY2011 levels as the baseline.

\*2: Details undisclosed due to confidential information and other reasons

\*3: As of March 31, 2012; survey by Toyota Industries

\*4: Greenhouse gases other than CO<sub>2</sub>, including methane (CH<sub>4</sub>), dinitrogen monoxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulfur hexafluoride (SF<sub>6</sub>)

\*5: Eco-efficiency = Production efficiency in subject year / Production efficiency in base year

Production efficiency = Production indicator (Net sales or production volume, etc.) / Environmental impact of production activities

\*6: Substances of Very High Concern

\*7: Volatile Organic Compounds

\*8: Specific targets are set separately and progress achieved is disclosed via the Company Website or *Toyota Industries Report* and other media.

# Establishing a Low-Carbon Emission Society

We position the establishment of a low-carbon emission society as one of our most crucial environmental tasks. We have been working to reduce CO<sub>2</sub> emissions by improving product efficiency through technological innovation, encouraging energy saving and less consumption of energy during production activities and promoting green logistics.

## Internal Award Program to Recognize Environmental Improvement Activities

In fiscal 2011, Toyota Industries established an internal award program to recognize excellent environmental improvement activities undertaken at production sites and offices. The program's purposes are to share best practices to raise the level of environment-related activities throughout the Company.

In fiscal 2012, with the intent to further motivate employees to take action, we reviewed the system to assess the process of activities from a broader perspective. We received applications from each business division such as measures to reduce CO<sub>2</sub> emissions and save power. Four projects were selected to receive either a "Best Practice Award" or "Excellent Practice Award."

We will continue to refine our award program to encourage more environmental improvement activities and contribute to the generation of excellent ideas.



On-site assessment



Awards ceremony

## Internal Award Program: Best Practice Award

### Reduction of CO<sub>2</sub> Emissions through Introduction of Biocoke

The Engine Division accounts for 37% of Toyota Industries' total CO<sub>2</sub> emissions generated, with its main emission source being the incineration of coal coke in the cast iron melting process.

In order to reduce CO<sub>2</sub> emitted from the melting process, the Engine Division rolled out an initiative to replace coal coke with biocoke, which has a zero CO<sub>2</sub> emissions factor.

In fiscal 2012, which was the first year of the initiative, we aimed to replace 4% of coal coke with biocoke and to reduce annual CO<sub>2</sub> emissions by 500 tons.

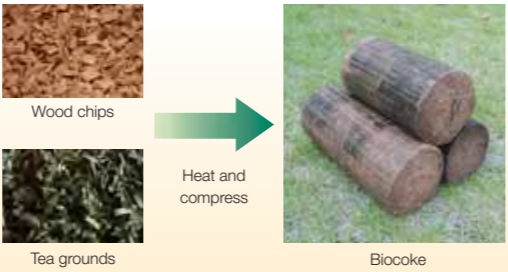
Biocoke is a solid biofuel produced by heating and compressing biomass such as wood chips from thinned trees or tea grounds thrown away by beverage manufacturers. It is an excellent fuel substitute because of its carbon neutrality\*, but provides less heating power for the melting process and a lower amount of carbon needed in the resulting molten metal compared with coal coke, making it difficult to maintain the quality of our products.

To compensate for the insufficient heating power, we increased the amount of biocoke used in the melting process. To solve the problem of an insufficient amount of carbon, we added petroleum coke, which contains roughly the same amount of carbon as coal coke, and determined the optimal mix through a number of operational tests.

These efforts resulted in a reduction in annual CO<sub>2</sub> emissions by 650 tons, which exceeded the target.

\* Carbon neutrality refers to the concept that the amount of CO<sub>2</sub> generated by incinerating a plant is offset by the amount of CO<sub>2</sub> absorbed by the plant through photosynthesis in the process of its growth, thus causing no increase/decrease in the amount of CO<sub>2</sub> in the atmosphere.

#### Production of Biocoke



## Internal Award Program: Best Practice Award

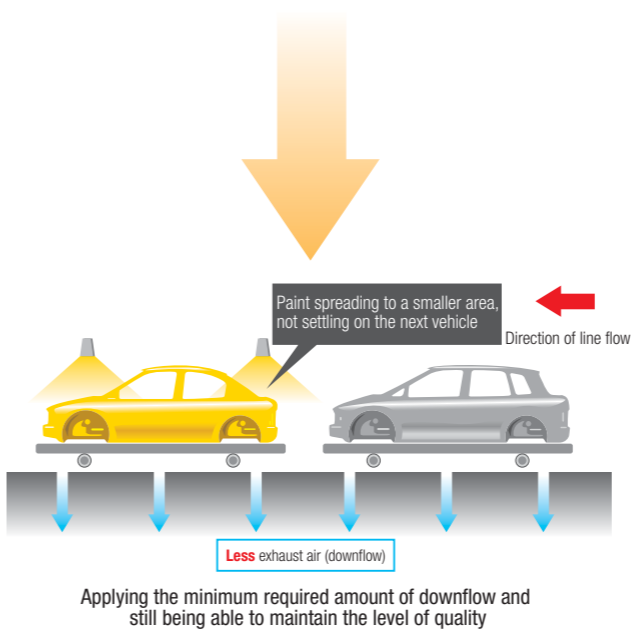
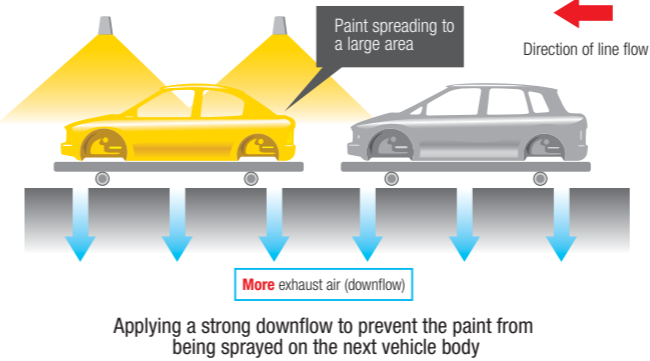
### Reduced Airflow in Vehicle Painting Line to Reduce Energy Consumption

In a vehicle painting line, we generate a downward airflow at a constant speed to prevent unnecessary dispersion of the sprayed paint.

We worked to reduce the amount of airflow in order to reduce energy consumption.

We first moved the spray nozzles closer to the vehicle body and adjusted the discharge pressure and amount to reduce dispersion. We then set the amount of airflow at a level sufficient to prevent the paint from being sprayed on the next vehicle body on the line, thereby reducing the amount of airflow by about 60%.

Consequently, we successfully reduced annual CO<sub>2</sub> emissions by approximately 270 tons.



### New Electronic Shedding Device with Excellent Energy-Saving Performance

An air-jet loom electronic shedding device creates a vertical space between the raised and lowered warp threads through which to insert weft yarn. It allows the weaving of complex-patterned fabrics by controlling the timing of the raising or lowering of warp threads.

In May 2011, Toyota Industries developed a new electronic shedding device that offers an excellent energy-saving feature while maintaining the same level of weaving performance as conventional electronic shedding devices.

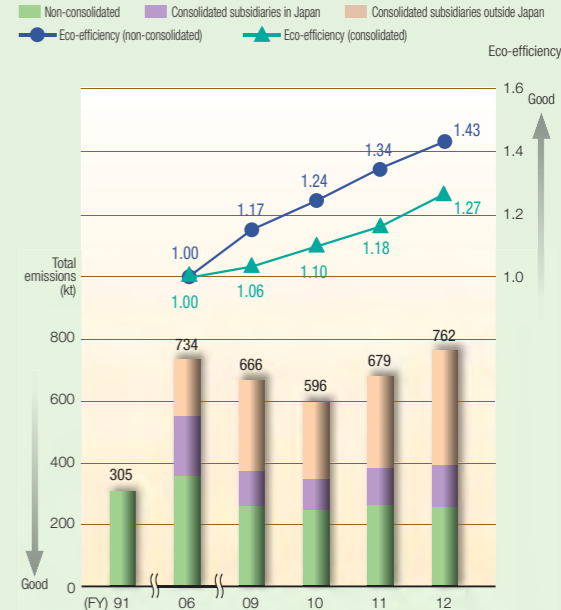
This new device is equipped with an improved decelerator and motor, which improves performance during high-speed operation. At the same time, by recovering energy generated in the deceleration process, power consumption of the new device has been reduced by more than 10%.



JAT710 air-jet loom equipped with the optionally available electronic shedding device

#### Initiatives for Establishment of a Low-Carbon Emission Society

##### CO<sub>2</sub> Emissions (Non-consolidated/Consolidated subsidiaries in and outside Japan)



# Establishing a Recycling-Based Society

With a view to contributing to the establishment of a recycling-based society, we have been reducing our resource consumption through the promotion of 3R (reduce, reuse and recycle) design and improvement of resource productivity.

## Internal Award Program: Excellent Practice Award

### Recovery and Reuse of Steam Drainage Water\*1 from Washing Equipment

Toyota Material Handling Japan (TMHJ), responsible for Toyota Industries' Materials Handling Equipment Business, reduced the amount of water used in the pre-paint washing process.

Previously, steam was used to heat washing water to maintain its temperature at a constant level. Drainage water liquefied from used steam had been disposed of as wastewater. However, the results of a water quality analysis revealed that this drainage water retained the level of quality suitable for use as washing water. TMHJ consequently decided to recover and reuse it as washing water.

This helped TMHJ reduce annual consumption of water provided by public water supply by about 4,000 m<sup>3</sup>. As hot recycled water of approximately 80°C is added to the washing water, less steam is required for the heating process, leading to a reduction in annual CO<sub>2</sub> emissions by about 50 tons.

\*1: Hot water liquefied from steam, which occurs when heat is removed from steam in the heating process

### Greater Resource Efficiency for DC-DC Converters

A DC-DC converter is primarily used on hybrid vehicles (HV) to downconvert the high voltage used for the drive motor to a level suitable for operating lights, wipers, horns and other auxiliary devices.

In December 2011, we developed an approximately 44% lighter DC-DC converter with smaller components and fewer parts compared with our existing DC-DC converters. A fewer number of fastening screws resulted in an easier-to-dismantle structure, contributing to higher recycling efficiency. The new DC-DC converter is fitted in the Aqua (Prius c in North America), a hybrid vehicle by Toyota Motor Corporation.



DC-DC converter fitted in the Aqua

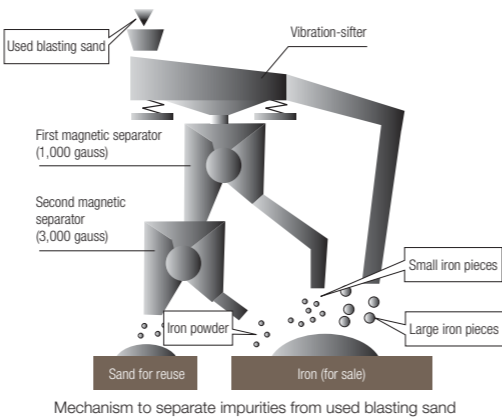
### Reduction of Waste by HANDA Casting Company

HANDA Casting Company, a consolidated subsidiary in Japan that produces foundry parts for lift trucks, reduced the amount of waste generated in the shot blasting process used to apply surface treatment to counterweights\*2.

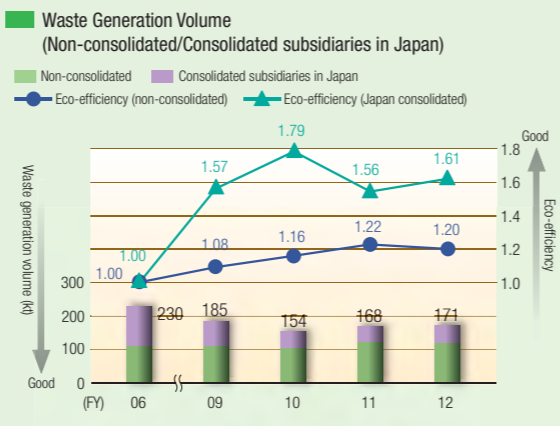
Used blasting sand generated from this process contains pulverized steel shots (pieces of iron) or iron powder. Because of these contents, it was not suitable for recycling.

In fiscal 2011, through a joint project with a manufacturer, HANDA Casting succeeded in separating these impurities from used blasting sand and reduced the annual amount of waste by approximately 480 tons.

\*2: A weight installed in the rear of a lift truck to maintain balance with the cargo load



### Initiatives for Establishing a Recycling-Based Society



# Reducing Environmental Risk and Establishing a Society in Harmony with Nature

We have been striving to reduce emissions of substances of concern by implementing thorough management of chemical substances in product development and production activities.

## Internal Award Program: Excellent Practice Award

### Environmental Improvement through Adoption of a New Piston Coating Method

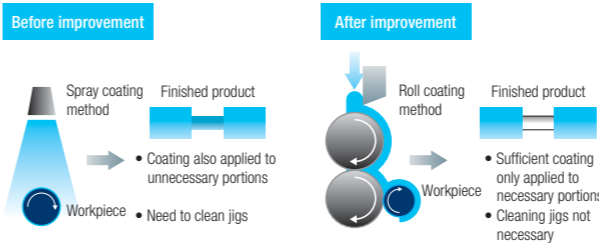
We apply resin coating to pistons, a car air-conditioning compressor part, to ensure smooth piston movement and airtightness.

The conventional method, which sprays resin on the entire piston, causes resin to spread and settle on unnecessary portions of the piston and on jigs, using more resin and energy than necessary.

In 1998, we started introducing a roll coating method that uses rollers to transfer resin onto a piston surface. This method only applies coating where necessary, resulting in the reduction of the required amount of resin and thus the usage of chemical substances.

By fiscal 2012, we adopted the roll coating method in all our 14 coating lines. Compared with the conventional spraying method, annual VOC (volatile organic compound) emissions were reduced by about 249 tons and annual emissions of PRTR (Pollutant Release and Transfer Register) law designated substances decreased by approximately 42 tons.

A reduction in air consumption and elimination of drying furnaces also reduced annual CO<sub>2</sub> emissions by about 4,600 tons.



### Study Sessions for Business Partners on Management of Chemical Substances

Toyota Industries uses a chemical substance management system to accumulate data on materials used and chemical substances contained in all of its products for the purpose of confirming applicability when new regulations come into effect in a country or region.

An appropriate applicability check requires compilation of accurate data. Since fiscal 2007, we have been carrying out activities to help our business partners that create their own databases to understand the importance of chemical substances management and holding study sessions on how to compile accurate data.

These activities have proven effective in raising awareness for the proper management of chemical substances among business partners throughout our supply chain and been contributing to the establishment of a safe society not affected by any harmful substances.



Study session for business partners

### Soil and Groundwater Pollution Countermeasures

Toyota Industries carries out surveys and purification of soil and groundwater contaminated from the past use of trichloroethylene. We regularly report the survey results to local government authorities and provide information at local community meetings. As measures to prevent pollution from substances covered by the Soil Contamination Countermeasures Law as well as from grease and oils, we have drilled observation wells at all plants to conduct regular checks.

#### Trichloroethylene Readings

Plant	FY2008	FY2009	FY2010	FY2011	FY2012
Kariya Plant	0.99	0.67	0.67	0.41	0.38
Kyowa Plant	0.79	0.72	0.34	0.41	0.48

Weighted average concentration in groundwater (mg/l)

### Status of Compliance with Environmental Laws

In fiscal 2012, there was one instance in which effluents from the plant exceeded standard values at one subsidiary within the Toyota Industries Group. This incident has been reported to the relevant authorities, and corrective measures have already been completed by the subsidiary concerned. Subsequent confirmations have also been made to ensure that there are no recurrences.

We will step up our efforts to prevent environmental risks by sharing information on environment-related incidents throughout the Toyota Industries Group, including their causes and countermeasures taken. We will also continue to augment Group-wide efforts to minimize environmental impact by conducting contingency training for emergency situations and other proactive measures.

# Environmental Management

Toyota Industries promotes the development of human resources capable of taking their own initiative regarding the environment in order to carry out activities specified under the Fifth Environmental Action Plan and achieve its targets.

## Lecture on the Environment



Mr. Ukyo Katayama

Toyota Industries organizes an environmental lecture every year for raising the environmental awareness of its employees.

In fiscal 2012, we invited Mr. Ukyo Katayama, formerly an F1 driver and now an alpinist, as a lecturer, and Professor Noriyasu Kunori of Toyama Prefectural University as an interviewer to talk about what everyone can do now for the environment. About 170 employees attended the lecture.

Mr. Katayama spoke about matters such as what made him think about environmental issues and how he decided to take personal action in his everyday life.

A workshop was held at the end of the lecture, and each participant wrote down on paper a personal declaration of one environmentally friendly action each will take. We pasted these sheets together to create the shape of a tree and named it *Kizuki-no-Ki* (a tree of small realizations). Some participants declared that they would strive for eco-driving and others decided to be a role model for their children. Through this workshop, we realized that everyone's small actions will become a big force in protecting the environment.



Workshop



Kizuki-no-Ki made up of participants' declarations

## Wall Greening Activity Received the Best Award in Aichi Green Curtain Contest

For the purpose of saving electricity during the summer and raising the environmental awareness of employees, the Kariya Plant (Aichi Prefecture) carried out a "wall greening" project to grow a shady "green" curtain, seven meters high and 90 meters wide, to cover a wall of its office building.

In June 2011, about 200 employees participated in an event to plant morning glory seedlings. We devised ways to continuously gain employees' attention, including posting records of the morning glories' growth on the Intranet, thereby successfully raising their environmental awareness. The curtain of morning glories effectively reduced the amount of electricity used by air conditioners by about 10%.

This project was highly praised by external organizations and received the Best Award in the Factory Category in the Aichi Green Curtain Contest sponsored by Aichi Prefecture.

We will continue this wall greening project, extending activities to other plants.



A green curtain covering a wall of the office building



Employees planting morning glory seedlings

## Introduction of Internal Eco-Point System

To raise environmental awareness among employees and their families, Toyota Industries introduced an internal eco-point system in April 2011. Under the slogan "Let's lead a more ecological lifestyle," the program gives eco-points to employees and their families who make improvement proposals for protecting the environment or participate in lectures and other environmental events. These points can be exchanged for eco-friendly products.

## Eco Character Ecorop



"ECOROP" is our corporate eco character selected from 112 character designs solicited from employees. A water droplet and leaves symbolize the environment, and the word "ECO" is positioned on its forehead to resemble our corporate logo.

In addition to Company-wide events, individual plants held various events, and many employees have joined the eco-point program.

According to the results of a questionnaire on this program, approximately 85% of Toyota Industries' employees responded that they have become more environmentally aware through these activities.

We will carry out continuous activities to maintain employees' interest in environmental issues and encourage them to take environment-conscious actions both in the workplace and at home.

We will also work to refine the program to contribute to the conservation of the environment in surrounding areas.

## Voice of Program Organizer

We have rolled out this program to encourage employees and their families to take environment-conscious actions with a sense of enjoyment. We will continue to plan events and activities in which they can participate easily to help each person increase his or her environmental awareness.



Program organizers in the Plant Engineering & Environment Department handing out leaflets to promote the eco-point system

## Activities in Fiscal 2012 (Examples)



"Make Electricity" event (Nagakusa Plant, Aichi Prefecture)



Water sprinkling activities to lower surface temperature (Kariya Plant, Aichi Prefecture)

## TIEM Received Environmental Award

Toyota Industrial Equipment Mfg., Inc. (TIEM), a U.S.-based subsidiary producing lift trucks, was awarded The 2011 Indiana Governor's Award for Environmental Excellence.

This award is given to companies carrying out business activities and decision-making based on excellent environmental strategies. TIEM, recognized for its numerous achievements through five years of continuous environmental improvement activities, received this award for the third time.

## Results of TIEM's Five-Year Environmental Improvement Activities

Achievements included reducing VOC emissions by 55%, air pollutant emissions by 34%, industrial waste generation by 62% and water consumption by 24%.



Awards ceremony

# Environmental Impact Flow and Environmental Accounting

In this section, we provide an overall picture of environmental impact resulting from our global business activities and report the results of environmental accounting (environmental conservation cost, environmental conservation benefits and economic benefits of environmental conservation initiatives).

## Environmental Impact Flow

### INPUT

■Energy [consolidated]	Total consumption ..... 9,800 TJ*1 Electricity ..... 980,640 MWh City gas ..... 77,977 km³N LPG ..... 4,105 t Petroleum products ..... 5,178 kl Coal products ..... 6,346 t LNG ..... 5,720 t *1: Terajoule is a unit used to measure heat. 1 TJ = 10¹² joules
■Raw Materials [consolidated]	Raw material consumption ..... 576,355 t
■Water [consolidated]	Water consumption ..... 6,035 km³
■Chemical Substances [Japan consolidated]	PRTR law*2 designated substances ..... 1,726 t *2: Short for Pollutant Release and Transfer Register, the PRTR law is a scheme whereby businesses measure the release and transfer of PRTR-designated pollutants and report their performance to the government. The government then compiles this data and releases it to the public.

Environmental Impact Flow



### OUTPUT

■Into the Air [consolidated]	CO₂ ..... 724,338 t-CO₂ Greenhouse gases other than CO₂ ... 3,329 t-CO₂ CO₂ from logistics ..... 34,028 t-CO₂ SOx (Sulfur oxides) ..... 692 kg NOx (Nitrogen oxides) ..... 190 t VOC (Volatile organic compounds) ..... 1,698 t
■Chemical Substances [Japan consolidated]	Emissions/transfers of PRTR law designated substances ..... 781 t
■Waste [consolidated]	Waste generation ..... 298,057 t
■Into Waterways [Japan consolidated]	Water pollutants ..... 29 t Discharge of treated wastewater ..... 2,510 km³

## Environmental Accounting and On-Site Verification

### ■ Fiscal 2012 Environmental Accounting\*3

Scope of data collection: Toyota Industries Corporation  
TIBC Corporation  
Data collection period: April 1, 2011 – March 31, 2012

\*3: Environmental accounting data is collected in compliance with the Ministry of the Environment's *Environmental Accounting Guidelines 2005 Edition*.

### ■ Environmental Conservation Cost

(Millions of yen)

Category		FY2012		FY2011	
		Investment	Expenses	Investment	Expenses
Business area costs	Pollution prevention costs	257	1,028	246	1,371
	Global environmental conservation costs	345	3,264	233	2,872
	Resource recycling costs	32	721	20	562
Upstream/downstream costs		—	49	6	4
Management costs		263	1,231	2	1,130
Research and development costs		3	1,260	3	152
Social contribution activity costs		—	8	4	13
Environmental remediation costs		3	9	—	9
Total		903	7,570	514	6,113
		8,473		6,627	

### ■ Environmental Conservation Benefits

Environmental Impact	Comparison with Previous Fiscal Year
CO₂	7,735 t decrease
Generation of waste products	2,004 t increase
Water	95,934 m³ decrease

### ■ Economic Benefits of Environmental Conservation Initiatives

(Millions of yen)

Item	Details	Amount
Revenue	Returns from sale of recycled waste products	4,656
	Energy cost reductions	49
Cost reduction	Cost reduction by resource savings (including reductions in amount of water use and wastewater treatment costs)	(19)
Total		4,686

### ■ On-Site Verification

Every year, Toyota Industries Head Office's Plant Engineering & Environment Department takes the initiative in conducting on-site verification of the accuracy and consistency of environmental data included in the *Toyota Industries Report*. The results for fiscal 2012 are as follows.

#### [On-Site Verification Sites]

Obu Plant: Production of car air-conditioning compressor parts  
Morioka Works: Production of automotive parts  
Tokaiseiki Co., Ltd.: Production of parts for car air-conditioning compressors and engines

#### [Items to be Verified]

- Adequacy of the scope of data collection; validity of data collection and calculation methods; validity of internal verification
- Trustworthiness and accuracy of collected/calculated data as well as data reported to the Head Office; accuracy of methods reported to the Head Office

#### [Results]

- The verified sites retained original data (evidence) for all statistics, which were confirmed valid as were the scope and method of data collection.
- All discrepancies found during verification have been corrected after respective causes have been identified.
- Considerations of improvements will be made for data collected using complex collection methods that may result in calculation errors.

Toyota Industries Report

2012

## Financial Section / Corporate Information

### ■ Financial Section

Consolidated Eleven-Year Summary	—	74–75
Consolidated Balance Sheets	—	76–77
Consolidated Statements of Income	—	78
Consolidated Statements of Comprehensive Income	—	79
Consolidated Statements of Changes in Net Assets	—	80–81
Consolidated Statements of Cash Flows	—	82

### ■ Corporate Information

Board of Directors, Corporate Auditors and Managing Officers	—	83
Major Consolidated Subsidiaries	—	84–85
Major Production Bases	—	86
Investor Information	—	87

Note:

For details on the consolidated financial statements, please refer to the separate publication, which is also posted on the following Website:  
[www.toyota-industries.com](http://www.toyota-industries.com)

Consolidated Eleven-Year Summary

Toyota Industries Corporation  
Years ended March 31

	Millions of yen										
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>For The Year</b>											
Net sales	¥1,543,352	¥1,479,839	¥1,377,769	¥1,584,252	¥2,000,536	¥1,878,398	¥1,505,955	¥1,241,538	¥1,164,378	¥1,069,218	¥ 980,163
Operating income (loss)	70,092	68,798	22,002	(6,621)	96,853	89,954	64,040	53,120	52,631	52,477	46,330
Ordinary income	80,866	73,911	31,756	14,343	126,488	108,484	80,635	70,912	58,970	51,375	47,865
Net income (loss)	58,594	47,205	(26,273)	(32,767)	80,460	59,468	47,077	43,357	33,623	21,933	27,311
Investment in tangible assets	¥ 58,404	¥ 38,254	¥ 26,963	¥ 104,495	¥ 104,205	¥ 129,023	¥ 130,121	¥ 111,321	¥ 65,651	¥ 69,607	¥ —
Depreciation	59,830	62,372	73,238	87,219	83,744	74,449	64,423	51,277	49,264	45,939	—
Research and development expenses	32,070	27,788	26,826	33,646	36,750	34,548	31,166	30,051	29,562	29,705	29,985
Per share of common stock (yen):											
Net income (loss) per share—basic	¥ 188.02	¥ 151.51	¥ (84.33)	¥ (105.16)	¥ 257.50	¥ 189.88	¥ 146.16	¥ 135.09	¥ 108.04	¥ 70.19	¥ 87.28
Net income per share—diluted	—	—	—	—	257.43	189.66	146.02	135.03	101.97	62.90	78.26
Total net assets per share	3,662.26	3,300.17	3,390.02	2,987.16	4,483.32	5,612.11	5,044.45	3,504.80	3,199.69	2,522.52	2,809.54
Cash dividends per share	50.00	50.00	30.00	40.00	60.00	50.00	38.00	32.00	24.00	22.00	19.00
<b>At Year-End</b>											
Total assets	¥2,656,984	¥2,481,452	¥2,589,246	¥2,327,432	¥2,965,585	¥3,585,857	¥3,245,341	¥2,326,824	¥2,011,995	¥1,650,391	¥1,770,401
Total net assets	1,197,841	1,075,939	1,104,929	977,670	1,453,996	1,810,483	1,611,227	1,115,747	1,016,763	738,867	878,812
Common stock	80,462	80,462	80,462	80,462	80,462	80,462	80,462	80,462	80,462	68,046	68,021
Number of shares outstanding (excluding treasury stock) (thousands)	311,687	311,564	311,570	311,577	311,589	312,075	319,320	318,237	317,666	292,777	312,796
<b>Cash Flows</b>											
Net cash provided by operating activities	¥ 101,718	¥ 153,661	¥ 203,452	¥ 65,768	¥ 188,805	¥ 177,467	¥ 131,784	¥ 100,095	¥ 92,406	¥ 103,183	¥ 81,078
Net cash used in investing activities	(9,403)	(187,574)	(36,855)	(114,217)	(138,789)	(164,446)	(205,013)	(128,230)	(92,667)	(95,120)	(106,710)
Net cash provided by (used in) financing activities	10,279	(85,728)	(38,230)	120,971	(33,992)	(19,749)	85,172	50,020	(56,015)	57,775	1,225
Cash and cash equivalents at end of year	296,811	195,566	317,590	188,011	121,284	108,569	112,596	100,535	77,212	136,929	71,119
<b>Indices</b>											
Return on equity (ROE) (%)	5.4	4.5	(2.6)	(2.8)	5.1	3.5	3.5	4.1	3.8	2.7	3.0
Return on assets (ROA) (%)	2.3	1.9	(1.1)	(1.2)	2.5	1.7	1.7	2.0	1.8	1.3	1.5
Operating profit margin (%)	4.5	4.6	1.6	(0.4)	4.8	4.8	4.3	4.3	4.5	4.9	4.7
Equity ratio (%)	43.0	41.4	40.8	40.0	47.1	48.8	49.7	48.0	50.5	44.8	49.6
EBITDA (millions of yen)	¥ 161,876	¥ 150,481	¥ 90,521	¥ 71,608	¥ 222,125	¥ 191,007	¥ 150,674	¥ 128,381	¥ 113,676	¥ 95,472	¥ 97,540
Number of employees	43,516	40,825	38,903	39,916	39,528	36,096	32,977	30,990	27,431	25,030	23,056

1. Net income (loss) per share is computed based on the average number of shares for each year.  
2. ROE and ROA are computed based on the average total net assets and total assets, respectively, for each year.  
3. Operating profit margin = Operating income (loss) / Net sales  
4. Equity ratio = (Total net assets – Subscription rights to shares – Minority interests) / Total assets  
5. EBITDA = Income before income taxes + Interest expenses – Interest and dividends income + Depreciation and amortization

# Consolidated Balance Sheets

Toyota Industries Corporation  
As of March 31, 2012 and 2011

ASSETS	Millions of yen	
	2012	2011
<b>Current assets:</b>		
Cash and deposits	¥ 274,710	¥ 198,654
Trade notes and accounts receivable	195,391	152,121
Lease investment assets	36,570	35,146
Short-term investments	92,249	132,430
Merchandise and finished goods	48,183	42,940
Work in process	33,727	31,256
Raw materials and supplies	34,536	30,065
Deferred tax assets	20,368	18,493
Other current assets	36,358	32,646
Allowance for doubtful accounts	(2,740)	(2,863)
<b>Total current assets</b>	<b>769,356</b>	<b>670,893</b>
<b>Fixed assets:</b>		
<b>Property, plant and equipment:</b>		
Buildings and structures	141,412	159,606
Machinery, equipment and vehicles	180,146	185,988
Tools, furniture and fixtures	24,448	23,634
Land	116,526	119,697
Construction in progress	18,519	8,350
<b>Total property, plant and equipment</b>	<b>481,053</b>	<b>497,278</b>
<b>Intangible assets:</b>		
Goodwill	68,824	68,573
Other intangible assets	37,952	10,767
<b>Total intangible assets</b>	<b>106,777</b>	<b>79,340</b>
<b>Investments and other assets:</b>		
Investments in securities	1,177,591	1,123,306
Deferred tax assets	10,758	9,786
Lease investment assets	76,566	71,480
Other investments and other assets	35,034	29,539
Allowance for doubtful accounts	(152)	(173)
<b>Total investments and other assets</b>	<b>1,299,798</b>	<b>1,233,940</b>
<b>Total fixed assets</b>	<b>1,887,628</b>	<b>1,810,559</b>
<b>Total assets</b>	<b>¥2,656,984</b>	<b>¥2,481,452</b>

LIABILITIES AND NET ASSETS	Millions of yen	
	2012	2011
<b>Current liabilities:</b>		
Trade notes and accounts payable	¥ 168,465	¥ 144,956
Short-term loans payable	110,212	99,946
Commercial paper	12,897	11,133
Current portion of bonds	54,105	30,829
Lease obligations	37,619	37,873
Accounts payable—other	18,169	14,349
Accrued income taxes	12,510	18,320
Deferred tax liabilities	3	737
Allowance for bonuses to directors and corporate auditors	525	521
Other current obligations	165,018	153,275
<b>Total current liabilities</b>	<b>579,527</b>	<b>511,944</b>
<b>Long-term liabilities:</b>		
Bonds payable	187,238	205,649
Long-term loans payable	249,183	236,602
Lease obligations	85,754	82,813
Deferred tax liabilities	297,304	309,256
Allowance for retirement benefits	48,973	46,924
Other long-term liabilities	11,160	12,321
<b>Total long-term liabilities</b>	<b>879,615</b>	<b>893,568</b>
<b>Total liabilities</b>	<b>1,459,142</b>	<b>1,405,512</b>
<b>Shareholders' equity:</b>		
Capital stock		
Authorized — 1,100,000,000 shares		
Issued — 325,840,640 shares as of March 31, 2012	80,462	80,462
325,840,640 shares as of March 31, 2011		
Capital surplus	106,128	106,179
Retained earnings	455,042	412,029
Treasury stock	(50,266)	(50,703)
14,153,619 shares as of March 31, 2012		
14,275,721 shares as of March 31, 2011		
<b>Total shareholders' equity</b>	<b>591,367</b>	<b>547,968</b>
<b>Accumulated other comprehensive income:</b>		
Valuation difference on available-for-sale securities	565,007	488,277
Deferred gains or losses on hedges	(131)	46
Foreign currency translation adjustment	(14,763)	(8,075)
<b>Total accumulated other comprehensive income</b>	<b>550,112</b>	<b>480,248</b>
<b>Subscription rights to shares</b>	<b>2,310</b>	<b>2,132</b>
<b>Minority interests</b>	<b>54,051</b>	<b>45,589</b>
<b>Total net assets</b>	<b>1,197,841</b>	<b>1,075,939</b>
<b>Total liabilities and net assets</b>	<b>¥2,656,984</b>	<b>¥2,481,452</b>

# Consolidated Statements of Income

Toyota Industries Corporation  
For the years ended March 31, 2012 and 2011

	Millions of yen	
	2012	2011
<b>Net sales</b>	<b>¥1,543,352</b>	¥1,479,839
<b>Cost of sales</b>	<b>1,301,617</b>	1,250,313
<b>Gross profit</b>	<b>241,734</b>	229,526
<b>Selling, general and administrative expenses:</b>		
Sales commissions	10,003	8,913
Salaries and allowances	68,176	62,969
Retirement benefit expenses	1,977	2,020
Depreciation	5,951	6,332
Research and development expenses	25,348	21,727
Others	60,184	58,765
<b>Operating income</b>	<b>70,092</b>	68,798
<b>Non-operating income:</b>		
Interest income	9,070	9,172
Dividends income	17,933	14,975
Gain on sales of marketable securities	1,159	488
Other non-operating income	6,545	7,407
<b>Non-operating expenses:</b>		
Interest expenses	(16,046)	(15,773)
Loss on disposal of fixed assets	(1,035)	(1,281)
Equity in net losses of affiliated companies	(490)	(473)
Other non-operating expenses	(6,363)	(9,402)
<b>Ordinary income</b>	<b>80,866</b>	73,911
<b>Extraordinary income:</b>		
Gain on step acquisitions	4,599	—
<b>Extraordinary losses:</b>		
Losses on the Great East Japan Earthquake	—	(4,631)
<b>Income before income taxes and minority interests</b>	<b>85,465</b>	69,279
Income taxes — current	23,382	25,456
Income taxes — deferred	1,311	(5,234)
<b>Income before minority interests</b>	<b>60,771</b>	49,058
Income on minority interests in consolidated subsidiaries	2,177	1,852
<b>Net income</b>	<b>¥ 58,594</b>	¥ 47,205
	Yen	
Net income per share — basic	¥ 188.02	¥ 151.51
Net income per share — diluted	—	—
Net assets per share	3,662.26	3,300.17
Cash dividends per share	50.00	50.00

# Consolidated Statements of Comprehensive Income

Toyota Industries Corporation  
For the years ended March 31, 2012 and 2011

	Millions of yen	
	2012	2011
<b>Income before minority interests</b>	<b>¥ 60,771</b>	¥ 49,058
<b>Other comprehensive income:</b>		
Valuation difference on available-for-sale securities	76,752	(55,834)
Deferred gains or losses on hedges	(177)	55
Foreign currency translation adjustment	(6,820)	(6,375)
Share of other comprehensive income of associates accounted for using equity method	(216)	(300)
<b>Comprehensive income</b>	<b>130,308</b>	(13,396)
<b>Profit attributable to:</b>		
Owners of the parent	128,457	(14,174)
Minority interests	1,850	777

# Consolidated Statements of Changes in Net Assets

Toyota Industries Corporation  
For the years ended March 31, 2012 and 2011

	Millions of yen	
	2012	2011
<b>Shareholders' equity</b>		
<b>Capital stock</b>		
Balance at the beginning of current period	¥ 80,462	¥ 80,462
Balance at the end of current period	80,462	80,462
<b>Capital surplus</b>		
Balance at the beginning of current period	106,179	106,179
Changes of items during the period		
Disposal of treasury stock	(50)	(0)
Total changes of items during the period	(50)	(0)
Balance at the end of current period	106,128	106,179
<b>Retained earnings</b>		
Balance at the beginning of current period	412,029	378,648
Changes of items during the period		
Dividends from surplus	(15,581)	(14,020)
Increase (decrease) due to decrease in consolidated subsidiaries	—	196
Net income	58,594	47,205
Total changes of items during the period	43,013	33,381
Balance at the end of current period	455,042	412,029
<b>Treasury stock</b>		
Balance at the beginning of current period	(50,703)	(50,689)
Changes of items during the period		
Repurchase of treasury stock	(5)	(15)
Disposal of treasury stock	441	1
Total changes of items during the period	436	(13)
Balance at the end of current period	(50,266)	(50,703)
<b>Total shareholders' equity</b>		
Balance at the beginning of current period	547,968	514,601
Changes of items during the period		
Dividends from surplus	(15,581)	(14,020)
Increase (decrease) due to decrease in consolidated subsidiaries	—	196
Net income	58,594	47,205
Repurchase of treasury stock	(5)	(15)
Disposal of treasury stock	391	0
Total changes of items during the period	43,399	33,367
Balance at the end of current period	591,367	547,968
<b>Accumulated other comprehensive income</b>		
<b>Valuation difference on available-for-sale securities</b>		
Balance at the beginning of current period	488,277	544,068
Changes of items during the period		
Net changes of items other than shareholders' equity	76,729	(55,790)
Total changes of items during the period	76,729	(55,790)
Balance at the end of current period	565,007	488,277

	Millions of yen	
	2012	2011
<b>Deferred gains or losses on hedges</b>		
Balance at the beginning of current period	¥ 46	¥ (9)
Changes of items during the period		
Net changes of items other than shareholders' equity	(177)	55
Total changes of items during the period	(177)	55
Balance at the end of current period	(131)	46
<b>Foreign currency translation adjustment</b>		
Balance at the beginning of current period	(8,075)	(2,430)
Changes of items during the period		
Net changes of items other than shareholders' equity	(6,688)	(5,645)
Total changes of items during the period	(6,688)	(5,645)
Balance at the end of current period	(14,763)	(8,075)
<b>Total accumulated other comprehensive income</b>		
Balance at the beginning of current period	480,248	541,628
Changes of items during the period		
Net changes of items other than shareholders' equity	69,863	(61,380)
Total changes of items during the period	69,863	(61,380)
Balance at the end of current period	550,112	480,248
<b>Subscription rights to shares</b>		
Balance at the beginning of current period	2,132	1,720
Changes of items during the period		
Net changes of items other than shareholders' equity	178	411
Total changes of items during the period	178	411
Balance at the end of current period	2,310	2,132
<b>Minority interests</b>		
Balance at the beginning of current period	45,589	46,978
Changes of items during the period		
Net changes of items other than shareholders' equity	8,461	(1,389)
Total changes of items during the period	8,461	(1,389)
Balance at the end of current period	54,051	45,589
<b>Total net assets</b>		
Balance at the beginning of current period	1,075,939	1,104,929
Changes of items during the period		
Dividends from surplus	(15,581)	(14,020)
Increase (decrease) due to decrease in consolidated subsidiaries	—	196
Net income	58,594	47,205
Repurchase of treasury stock	(5)	(15)
Disposal of treasury stock	391	0
Net changes of items other than shareholders' equity	78,503	(62,357)
Total changes of items during the period	121,902	(28,990)
<b>Balance at the end of current period</b>	<b>¥1,197,841</b>	<b>¥1,075,939</b>

# Consolidated Statements of Cash Flows

Toyota Industries Corporation  
For the years ended March 31, 2012 and 2011

	Millions of yen	
	2012	2011
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	¥ 85,465	¥ 69,279
Depreciation and amortization	87,368	89,576
Decrease in allowance for doubtful accounts	(159)	(195)
Interest and dividends income	(27,004)	(24,148)
Interest expenses	16,046	15,773
Equity in net losses of affiliated companies	490	473
(Increase) decrease in receivables	(47,043)	11,650
Increase in inventories	(13,897)	(16,953)
Increase in payables	25,307	3,440
Others, net	(5,357)	19,228
Subtotal	121,216	168,125
Interest and dividends income received	26,992	24,173
Interest expenses paid	(15,940)	(15,882)
Income taxes paid	(30,549)	(22,755)
<b>Net cash provided by operating activities</b>	<b>101,718</b>	<b>153,661</b>
<b>Cash flows from investing activities:</b>		
Payments for purchases of property, plant and equipment	(76,638)	(48,085)
Proceeds from sales of property, plant and equipment	8,408	7,645
Payments for purchases of investment securities	(1,924)	(56,000)
Proceeds from sales of investment securities	1,720	2,963
Payments for acquisition of subsidiaries' stock resulting in change in scope of consolidation	(5,568)	(25)
Proceeds from sales of subsidiaries' stock resulting in change in scope of consolidation	1,228	41
Payments for loans made	(27)	(30)
Proceeds from collections of loans	374	730
Net decrease (increase) in time deposits	70,161	(89,351)
Others, net	(7,137)	(5,461)
<b>Net cash used in investing activities</b>	<b>(9,403)</b>	<b>(187,574)</b>
<b>Cash flows from financing activities:</b>		
Decrease in short-term loans payable	(21,706)	(6,759)
Proceeds from long-term loans payable	50,482	240
Repayments of long-term loans payable	—	(826)
Proceeds from issuances of bonds	35,604	4,002
Repayments of bonds	(30,761)	(49,180)
Payments for repurchase of treasury stocks	(5)	(15)
Cash dividends paid	(15,581)	(14,020)
Cash dividends paid to minority shareholders	(478)	(528)
Proceeds from payment by minority shareholders	1,220	143
Others, net	(8,495)	(18,784)
<b>Net cash provided by (used in) financing activities</b>	<b>10,279</b>	<b>(85,728)</b>
<b>Translation adjustments of cash and cash equivalents</b>	<b>(1,348)</b>	<b>(2,382)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>101,244</b>	<b>(122,024)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>195,566</b>	<b>317,590</b>
<b>Cash and cash equivalents at end of year</b>	<b>¥ 296,811</b>	<b>¥ 195,566</b>

# Board of Directors, Corporate Auditors and Managing Officers

(As of June 14, 2012)

## Board of Directors



Chairman  
**Akira Imura**



Vice Chairman  
**Kazunori Yoshida**



President  
**Tetsuro Toyoda**



Executive Vice President  
**Kimpei Mitsuya**



Executive Vice President  
**Tetsuo Agata**



Executive Vice President  
**Chiaki Yamaguchi**

### Senior Managing Directors

**Toshiyuki Sekimori**  
**Kazue Sasaki**  
**Hiroataka Morishita**

**Shinya Furukawa**  
**Akira Onishi**  
**Masaharu Suzuki**

### Directors

**Masafumi Kato**  
**Norio Sasaki**  
**Toshifumi Ogawa**  
**Toshifumi Onishi**  
**Fujio Cho**

## Corporate Auditors

### Full-Time Corporate Auditors

**Shigetaka Yoshida**  
**Kakuo Ishikawa**

### Corporate Auditors

**Katsuaki Watanabe**  
**Toshio Mita**  
**Hans-Juergen Marx**

## Managing Officers

### Senior Managing Officers

**Takaki Ogawa**  
**Kohei Nozaki**  
**Kan Otsuka**  
**Taku Yamamoto**

### Managing Officers

**Yukihisa Tsuchimoto**  
**Hiroaki Asai**  
**Takashi Ito**  
**Toshiya Yamagishi**  
**Junichi Harada**  
**Mikihiko Okamoto**  
**Hirooki Fujiwara**  
**Yasuhiro Murata**  
**Yojiro Mizuno**

**Masahiro Kawaguchi**  
**Susumu Toyoda**  
**Yuji Ishizaki**  
**Keizo Hara**  
**Kiyotsugu Kurimoto**  
**Masafumi Kunito**  
**Toshihiko Shimizu**  
**Koichi Ito**

Major Consolidated Subsidiaries (As of March 31, 2012)

\*1: Including indirect investment

Segment	Company Name	Location	Business Activities	Ownership Ratio*1 (%)
Japan				
Materials Handling Equipment	TOYOTA L&F Akita Co., Ltd.	Akita-shi, Akita	Sales and servicing of materials handling equipment	100.0
	Aichi Corporation	Ageo-shi, Saitama	Production of aerial work platforms	51.0
	TOYOTA L&F Fukui Co., Ltd.	Fukui-shi, Fukui	Sales and servicing of materials handling equipment	100.0
	TOYOTA L&F Tokyo Co., Ltd.	Shinagawa-ku, Tokyo	Sales and servicing of materials handling equipment	100.0
	Nishina Industrial Co., Ltd.	Nagano-shi, Nagano	Production of materials handling equipment and construction machinery parts	97.5
	TOYOTA L&F Shizuoka Co., Ltd.	Shizuoka-shi, Shizuoka	Sales and servicing of materials handling equipment	100.0
	HANDA Casting Company	Handa-shi, Aichi	Production of foundry parts	100.0
	Unica Co., Ltd.	Kiyosu-shi, Aichi	Production of in-house transporters	100.0
Automobile	TOYOTA L&F Hyogo Co., Ltd.	Nishinomiya-shi, Hyogo	Sales and servicing of materials handling equipment	100.0
	Tokaiseiki Co., Ltd.	Iwata-shi, Shizuoka	Production of compressor and engine parts	100.0
	Altex Co., Ltd.	Hamamatsu-shi, Shizuoka	Production of compressor parts	100.0
	IZUMI MACHINE MFG. CO., LTD.	Obu-shi, Aichi	Production of specialized machine tools, friction welding machines, automotive parts	100.0
	Nagao Kogyo Co., Ltd.	Nagoya-shi, Aichi	Production of compressor, materials handling equipment and weaving machinery parts	100.0
	Miduhu Industry Co., Ltd.	Nagoya-shi, Aichi	Production of automotive, compressor and materials handling equipment parts	100.0
	Iwama Loom Works, Ltd.	Oguchi-cho, Niwa-gun, Aichi	Production of compressor parts	100.0
	Tokyu Co., Ltd.	Oguchi-cho, Niwa-gun, Aichi	Production of compressor parts and industrial machinery	100.0
Logistics	KTL Co., Ltd.	Koto-ku, Tokyo	Management and operation of distribution centers	50.5
	Wanbishi Archives Co., Ltd.	Minato-ku, Tokyo	Data storage, management, collection and delivery services	100.0
	Asahi Security Co., Ltd.	Minato-ku, Tokyo	Cash collection and delivery and cash proceeds management	100.0
	Advanced Logistics Solutions Co., Ltd.	Obu-shi, Aichi	Planning, design and operation of distribution centers	100.0
	ALT Logistics Co., Ltd.	Obu-shi, Aichi	Distribution service contracting; planning, management and operation of distribution centers	60.0
	Taikoh Transportation Co., Ltd.	Kariya-shi, Aichi	Land transportation services	52.8
Textile Machinery	Hara Corporation	Ikeda-cho, Ibi-gun, Gifu	Production of textile machinery and parts	100.0
Others	ELETT CORPORATION	Chiyoda-ku, Tokyo	Production of motors and inverters for industrial machinery	60.0
	TIBC Corporation*2	Obu-shi, Aichi	Production of semiconductor package substrates	60.0
	SKM CORPORATION	Kariya-shi, Aichi	Total construction management, security management, civil engineering/construction design work and real estate management	100.0
	Sun Staff, Inc.	Kariya-shi, Aichi	Personnel placement, contract office staffing	100.0
	Sun Valley Inc.	Kariya-shi, Aichi	Sales of goods, travel agency, organizing and running of events	100.0
	Shine's Co., Ltd.	Kariya-shi, Aichi	Management and operation of employee clubs	100.0
	Toyota Industries Well Support Corporation	Kariya-shi, Aichi	Planning and operation of benefit programs; administrative processing services for payroll accounting, etc.	100.0
	Toyoda High System, Incorporated	Kariya-shi, Aichi	Planning, development, formulation and operation of information infrastructure and systems	100.0
	Sun River Co., Ltd.	Suita-shi, Osaka	Sports facilities, real estate lease, restaurant management	100.0

\*2: TIBC Corporation will be excluded from the scope of consolidation in July 2012. Dissolution of the company is planned in January 2013.

\*1: Including indirect investment

Segment	Country	Company Name	Location	Business Activities	Ownership Ratio*1 (%)
North America					
Materials Handling Equipment	U.S.A.	Indiana Hydraulic Equipment, Corp.	Franklin, Indiana	Production of materials handling equipment parts	100.0
		North Vernon Industry Corp.	North Vernon, Indiana	Production of materials handling equipment parts	100.0
		Raymond-Muscatine Inc.	Muscatine, Iowa	Production of materials handling equipment	100.0
		The Raymond Corporation	Greene, New York	Production of materials handling equipment	100.0
		Toyota Industrial Equipment Mfg., Inc.	Columbus, Indiana	Production of materials handling equipment	100.0
		Toyota Material Handling North America, Inc.	Columbus, Indiana	North American headquarters for materials handling equipment business	100.0
		Toyota Material Handling, U.S.A., Inc.	Irvine, California	Sales of materials handling equipment	100.0
		G. N. Johnston Equipment Co., Ltd.	Mississauga, Ontario	Sales and servicing of materials handling equipment	100.0
	U.S.A.	Michigan Automotive Compressor, Inc.	Parma, Michigan	Production of compressors	60.0
		TD Automotive Compressor Georgia, LLC	Pendergrass, Georgia	Production of compressors	65.0
		Toyota Industries Compressor Parts America, Co.	Pendergrass, Georgia	Production of compressor parts	100.0
Textile Machinery	U.S.A.	Toyoda Textile Machinery, Inc.	Charlotte, North Carolina	Sales and servicing of textile machinery	100.0
Others	U.S.A.	Toyota Industries North America, Inc.	Columbus, Indiana	Holding company in the U.S.A.	100.0

\*1: Including indirect investment

Segment	Country	Company Name	Location	Business Activities	Ownership Ratio*1 (%)
Europe					
Materials Handling Equipment	Sweden	BT Products AB	Mjölby	Production of materials handling equipment	100.0
		Toyota Industries Europe AB	Mjölby	Holding company for materials handling equipment business in Europe	100.0
		Toyota Material Handling Europe AB	Mjölby	European headquarters for materials handling equipment business	100.0
		Toyota Material Handling Sweden AB	Bromma	Sales and servicing of materials handling equipment	100.0
	Norway	Toyota Material Handling Norway AS	Trondheim	Sales and servicing of materials handling equipment	100.0
	Finland	Toyota Material Handling Finland OY	Vantaa	Sales and servicing of materials handling equipment	100.0
	Latvia	Toyota Material Handling Baltic SIA.	Riga	Sales and servicing of materials handling equipment	100.0
	Poland	Toyota Material Handling Polska Sp. z o.o.	Pruszków	Sales and servicing of materials handling equipment	100.0
	Denmark	Toyota Material Handling Danmark A/S	Slangerup	Sales and servicing of materials handling equipment	100.0
	U.K.	Toyota Material Handling UK Limited	Slough, Berkshire	Sales and servicing of materials handling equipment	100.0
	Germany	Toyota Material Handling Deutschland GmbH	Langenhagen	Sales and servicing of materials handling equipment	100.0
		BT France S.a.r.l.	Marne La Vallée	Sales and servicing of materials handling equipment	100.0
		Toyota Industrial Equipment Europe, S.A.R.L.	Ancenis	Sales of materials handling equipment	100.0
	France	Toyota Industrial Equipment, S.A.	Ancenis	Production of materials handling equipment	100.0
		Toyota Material Handling Europe Brussels NV/SA	Brussels	Sales and marketing of materials handling equipment	100.0
	Belgium	Toyota Material Handling Belgium NV/SA	Wilrijk	Sales and servicing of materials handling equipment	100.0
	Netherlands	Toyota Material Handling Nederland B.V.	Ede	Sales and servicing of materials handling equipment	100.0
	Spain	Toyota Material Handling España, S.A.	Barberá del Vallés	Sales and servicing of materials handling equipment	100.0
	Austria	Toyota Material Handling Austria GmbH	Wiener Neudorf	Sales and servicing of materials handling equipment	100.0
	Czech Republic	Toyota Material Handling CZ s.r.o.	Rudna	Sales and servicing of materials handling equipment	100.0
	Slovakia	Toyota Material Handling Slovensko s.r.o.	Bratislava	Sales and servicing of materials handling equipment	100.0
	Hungary	Toyota Material Handling Hungary Kft.	Budapest	Sales and servicing of materials handling equipment	100.0
	Switzerland	Toyota Material Handling Schweiz AG	Zürich	Sales and servicing of materials handling equipment	50.0
	Italy	CESAB Carrelli Elevatori S.p.A.	Bologna	Production of materials handling equipment	100.0
		Toyota Material Handling Italia S.r.l.	Bologna	Sales and servicing of materials handling equipment	100.0
	Greece	Toyota Material Handling Greece SA	Markopoulo, Attica	Sales and servicing of materials handling equipment	100.0
Automobile	Germany	TD Deutsche Klimakompressor GmbH	Bernsdorf	Production of compressors	65.0
Textile Machinery	Switzerland	Toyota Textile Machinery Europe, AG	Uster	Sales and servicing of textile machinery	100.0
		Uster Technologies AG	Uster	Production of yarn quality measurement instruments and cotton classing instruments	50.3
Others	Sweden	Toyota Industries Finance International AB	Mjölby	Funding, loan, other financial services	100.0
Others					
Materials Handling Equipment	India	Toyota Material Handling India Pvt. Ltd.	Delhi	Sales and servicing of materials handling equipment	75.0
	Vietnam	Toyota Industrial Equipment Vietnam Co., LTD.	Hung Yen	Production of materials handling equipment parts	90.0
	Australia	Toyota Material Handling Australia Pty Limited	New South Wales	Sales and servicing of materials handling equipment	100.0
	China	Toyota Material Handling (Shanghai) Co., Ltd.	Shanghai	Sales of materials handling equipment	75.0
		BT Manufacturing (Foshan) Co., Ltd.	Foshan, Guangdong	Production of materials handling equipment	100.0
		Raymond Manufacturing (Dalian) Co., Ltd.	Dalian, Liaoning	Production of materials handling equipment	100.0
	Brazil	Toyota Material Handling Mercosur Indústria e Comércio de Equipamentos Ltda	São Paulo	Sales and servicing of materials handling equipment	100.0
	India	Kirloskar Toyoda Textile Machinery Pvt. Ltd.	Bangalore	Production of textile machinery and automotive parts	95.1
		P.T. TD Automotive Compressor Indonesia	Bekasi	Production of compressors	50.1
		Toyota Industry (Kunshan) Co., Ltd.	Kunshan, Jiangsu	Production of automotive parts and materials handling equipment, etc.	63.7
Automobile	China	TD Automotive Compressor Kunshan Co., Ltd.	Kunshan, Jiangsu	Production of compressors	59.8
		Toyota Industries Trading & Logistics (China) Co., Ltd.	Shanghai	Import/export, Chinese domestic distribution, operation of distribution centers	100.0
	China	Toyota Textile Machinery (Shanghai) Co., Ltd.	Shanghai	Installation and servicing of textile machinery	100.0
Textile Machinery	Brazil	Toyota Máquinas Têxteis Brasil Ltda	São Paulo	Sales and servicing of textile machinery	100.0

■ Affiliates Accounted for by the Equity Method

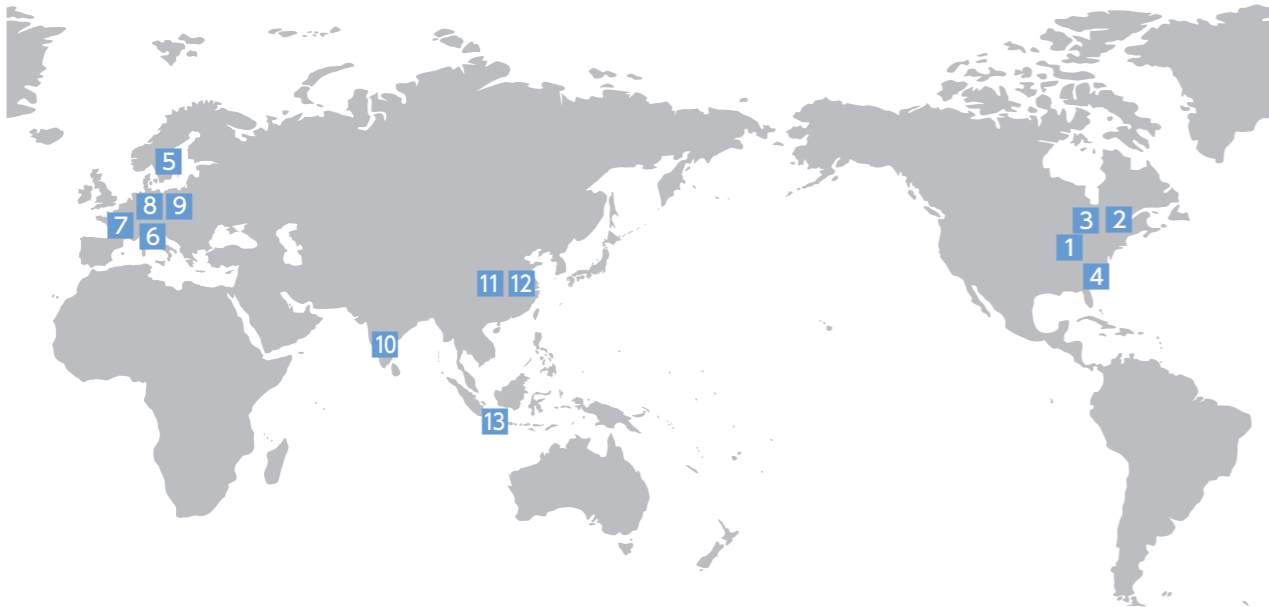
Materials Handling Equipment	Japan	TOYOTA L&F Kinki Co., Ltd.	Osaka-shi, Osaka	Sales and servicing of materials handling equipment	33.8
Automobile	Poland	Toyota Motor Industries Poland Sp. z o.o.	Jelcz-Laskowice	Production of diesel engines	40.0

Major Production Bases

(As of March 31, 2012)

Major Plants (Parent Company)			
Plant	Location	Main Products	Start of Operations
Kariya Plant	Kariya-shi, Aichi	Textile machinery, compressors	1927
Obu Plant	Obu-shi, Aichi	Parts for compressors	1944
Kyowa Plant	Obu-shi, Aichi	Electronic equipment, automotive press dies, production facilities, engine parts	1953
Nagakusa Plant	Obu-shi, Aichi	Vehicles	1967
Takahama Plant	Takahama-shi, Aichi	Materials handling equipment, materials handling systems	1970
Hekinan Plant	Hekinan-shi, Aichi	Diesel engines, gasoline engines	1982
Higashichita Plant	Handa-shi, Aichi	Foundry parts, diesel engines	2000
Higashiura Plant	Higashiura-cho, Chita-gun, Aichi	Parts for compressors	2002
Anjo Plant	Anjo-shi, Aichi	Electronic equipment	2007

Major Plants (Outside Japan)



Company Name	Country	Location	Main Products	Year of Foundation
1 Toyota Industrial Equipment Mfg., Inc.	U.S.A.	Columbus, Indiana	Materials handling equipment	1988
2 The Raymond Corporation	U.S.A.	Greene, New York	Materials handling equipment	1922
3 Michigan Automotive Compressor, Inc.	U.S.A.	Parma, Michigan	Compressors	1989
4 TD Automotive Compressor Georgia, LLC	U.S.A.	Pendergrass, Georgia	Compressors	2004
5 BT Products AB	Sweden	Mjölby	Materials handling equipment	1946
6 CESAB Carrelli Elevatori S.p.A.	Italy	Bologna	Materials handling equipment	1942
7 Toyota Industrial Equipment, S.A.	France	Ancenis	Materials handling equipment	1995
8 TD Deutsche Klimakompressor GmbH	Germany	Bernsdorf	Compressors	1998
9 Toyota Motor Industries Poland Sp. z o.o.	Poland	Jelcz-Laskowice	Diesel engines	2002
10 Kirloskar Toyoda Textile Machinery Pvt. Ltd.	India	Bangalore	Automotive parts, textile machinery	1995
11 Toyota Industry (Kunshan) Co., Ltd.	China	Kunshan, Jiangsu	Automotive parts, materials handling equipment, etc.	1994
12 TD Automotive Compressor Kunshan Co., Ltd.	China	Kunshan, Jiangsu	Compressors	2005
13 P.T. TD Automotive Compressor Indonesia	Indonesia	Bekasi	Compressors	2011

Investor Information

(As of March 31, 2012)

Corporate Head Office

TOYOTA INDUSTRIES CORPORATION  
2-1, Toyoda-cho, Kariya-shi, Aichi, 448-8671, Japan  
Telephone: +81-(0)566-22-2511  
Facsimile: +81-(0)566-27-5650

Date of Establishment

November 18, 1926

Common Stock

No par value  
Authorized: 1,100,000,000 shares  
Issued: 325,840,640 shares

Capital Stock

80,462 million yen

Stock Exchange Listings

Tokyo, Osaka and Nagoya (Ticker Code: 6201)

Number of Shareholders

21,632

Independent Accountant

PricewaterhouseCoopers Aarata  
Sumitomo Fudosan Shiodome Hamarikyu Bldg.  
8-21-1 Ginza, Chuo-ku, Tokyo, 104-0061, Japan

Transfer Agent

Special Account Management Institution

Mitsubishi UFJ Trust and Banking Corporation  
1-4-5, Marunouchi, Chiyoda-ku, Tokyo, 100-8212, Japan

Major Shareholders (Top 10)

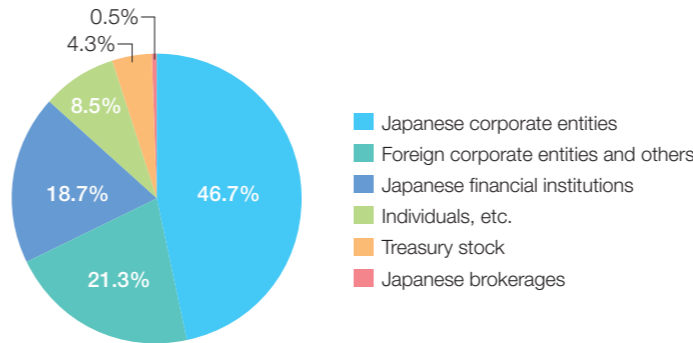
Name	Number of Shares Held (Thousands)	Percentage of Total Shares in Issue (%)
Toyota Motor Corporation	76,600	23.51
DENSO Corporation	29,647	9.10
Towa Real Estate Co., Ltd.	15,697	4.82
Toyota Tsusho Corporation	10,125	3.11
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,118	3.11
Japan Trustee Services Bank, Ltd. (Trust Account)	6,955	2.13
Nippon Life Insurance Company	6,735	2.07
Aisin Seiki Co., Ltd.	6,578	2.02
Third Avenue Value Fund	5,143	1.58
Toyota Industries Corporation Employee Ownership Program	5,066	1.55
Total	172,669	52.99

Notes: 1. Toyota Industries Corporation also holds 14,153 thousand shares of treasury stock but is excluded from the above list.

2. Shares held for the purpose of trust services of respective banks are as follows:

The Master Trust Bank of Japan, Ltd. (Trust Account) 10,118 (Thousands)  
Japan Trustee Services Bank, Ltd. (Trust Account) 6,955 (Thousands)

Distribution of Shares





## TOYOTA INDUSTRIES CORPORATION

2-1, Toyoda-cho, Kariya-shi, Aichi 448-8671, Japan

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